

**DRAFT**

State of New Mexico  
Additional Level One Establishment Cooperative Agreement  
CFDA # 93.525 FON:IE-HBE-12-001

**DRAFT LETTER FOR GOVERNOR'S SIGNATURE**

May 14, 2013

The Honorable Kathleen Sebelius  
Secretary, U.S. Department of Health and Human Services  
200 Independence Avenue SW  
Washington, DC 20201

*RE: CFDA No. 93.525 – Cooperative Agreement to Support Establishment of State Operated Health Insurance Exchanges*

Dear Secretary Sebelius:

I am pleased to endorse New Mexico's application for an additional Level One Health Insurance Exchange Establishment Grant and Cooperative Agreement. I hereby designate the New Mexico Public Regulation Commission, Division of Insurance as the applicant entity for this grant.

Project Title: New Mexico Health Insurance Exchange Level One Grant  
Applicant Name: New Mexico Public Regulation Commission, Division of Insurance  
Project Director: John Franchini, Superintendent 505- \_\_\_\_\_John.Franchini@state.nm.us

New Mexico will create a state-based exchange and has made substantial progress as outlined in this grant application. We will work with the Centers for Medicare and Medicaid Services and the Center for Consumer Information and Insurance Oversight to implement the New Mexico Health Insurance Exchange.

Thank you for the opportunity to apply for this grant funding to allow us to move ahead with providing increased choice in health insurance coverage that best meets the needs of individuals and small businesses in New Mexico.

Sincerely,

Susana Martinez  
Governor

**DRAFT**

State of New Mexico  
Additional Level One Establishment Cooperative Agreement  
CFDA # 93.525 FON:IE-HBE-12-001

**DRAFT LETTER FOR DOI**

May 14, 2013

The Honorable Kathleen Sebelius  
Secretary, U.S. Department of Health and Human Services  
200 Independence Avenue SW  
Washington, DC 20201

*RE: CFDA No. 93.525 – Cooperative Agreement to Support Establishment of State Operated Health Insurance Exchanges*

Dear Secretary Sebelius:

The New Mexico Division of Insurance is pleased to support New Mexico's application for an additional Level One Health Insurance Exchange Establishment Grant and Cooperative Agreement. We are committed to working in partnership with the New Mexico Health Insurance Exchange as that entity is created, and with the other partnering agencies.

We will be actively participating in implementation of a number of Exchange core areas, including certification and regulation of Qualified Health Plans, rate review, and consumer assistance. Additionally, we will be taking a leadership role in ensuring that insurance market reforms required by the Affordable Care Act are enacted in New Mexico.

We look forward to these partnership activities as we work cooperatively to implement the New Mexico Health Insurance Exchange.

Sincerely,

John Franchini  
Superintendent of Insurance

**DRAFT**

State of New Mexico  
Additional Level One Establishment Cooperative Agreement  
CFDA # 93.525 FON:IE-HBE-12-001

**DRAFT LETTER FOR MEDICAID**

May 14, 2013

The Honorable Kathleen Sebelius  
Secretary, U.S. Department of Health and Human Services  
200 Independence Avenue SW  
Washington, DC 20201

*RE: CFDA No. 93.525 – Cooperative Agreement to Support Establishment of State Operated Health Insurance Exchanges*

Dear Secretary Sebelius:

The New Mexico Human Services Department's Medical Assistance Division is pleased to provide this letter of support and participation for an additional Level One Health Insurance Exchange Establishment Grant and Cooperative Agreement. As the state Medicaid agency, we are committed to working in close partnership with all the participating organizations in development and implementation activities for the New Mexico Health Insurance Exchange.

Specifically, we agree to continue to collaborate with the Exchange on developing shared functionalities and ensuring coordinated approaches to all shared and related functions. We are coordinating in the areas of eligibility and enrollment, outreach, and other areas that require interface with Medicaid systems. We are working closely with the Exchange to avoid any duplication of effort and we will not fund Medicaid or CHIP specific functions with Exchange grant funds.

We look forward to these partnership activities as we work cooperatively to develop the New Mexico Health Insurance Exchange.

Sincerely,

**DRAFT**

*State of New Mexico*  
*Additional Level One Establishment Cooperative Agreement*  
*CFDA # 93.525 FON:IE-HBE-12-001*

**DRAFT LETTER FOR HSD**

May 14, 2013

The Honorable Kathleen Sebelius  
Secretary, U.S. Department of Health and Human Services  
200 Independence Avenue SW  
Washington, DC 20201

*RE: CFDA No. 93.525 – Cooperative Agreement to Support Establishment of State Operated Health Insurance Exchanges*

Dear Secretary Sebelius:

The first applicant entity to receive Exchange funds was the New Mexico Human Services Department (HSD). HSD applied for and received a \$1 million Health Insurance Exchange Planning grant, and a \$34.3 million Level One Health Insurance Exchange Establishment grant. HSD intends to transfer all remaining grant funds to the New Mexico Health Insurance Exchange (NMHIX) upon creation of the NMHIX infrastructure necessary to receive funds, which should be within the first month of its operation.

The current applicant entity is the New Mexico Public Regulation Commission Division of Insurance which will become the stand-alone agency, New Mexico Office of the Superintendent of Insurance (NM SOI) on July 1, 2013. All funds requested in this second Level One grant will be used for activities and staff not requested in the previous Level One grant. None of the expenditure items in the current grant application have been included in previous Exchange grant applications. In addition, NM SOI intends to transfer the grantee of record to the NMHIX upon completion of the necessary infrastructure and credentials by NMHIX.

Therefore, the effective result will be the NMHIX receiving the funding that it requires to successfully build its State-Based Exchange and begin enrollment October 1, 2013.

The Secretary of HSD and the Superintendent of Insurance both serve, by statute, on the NMHIX board to help insure coordination. The grant application provides detail on all activities for both the first Level One grant and this requested grant.

Sincerely,

Sidonie Squier  
Secretary, New Mexico Human Services Department

John Franchini  
Superintendent of Insurance

**DRAFT**

State of New Mexico  
Additional Level One Establishment Cooperative Agreement  
CFDA # 93.525 FON:IE-HBE-12-001

**DRAFT LETTER FROM NMHIX**

May 14, 2013

The Honorable Kathleen Sebelius  
Secretary, U.S. Department of Health and Human Services  
200 Independence Avenue SW  
Washington, DC 20201

*RE: CFDA No. 93.525 – Cooperative Agreement to Support Establishment of State Operated Health Insurance Exchanges*

Dear Secretary Sebelius:

As Board chair of the newly-created New Mexico Health Insurance Exchange (NMHIX) I am pleased to support New Mexico's application for an additional Level One Health Insurance Exchange Establishment Cooperative Agreement. We will work cooperatively in partnership with your department as well as the New Mexico Division of Insurance and the Human Services Department in the development of the Exchange.

The NMHIX is rapidly working to put in place all requirements to be able to receive transfer of the Level One grant funds and is on a fast track for Exchange implementation. We look forward to implementation of an effective and efficient Exchange that meets the needs of New Mexicans.

Sincerely,

James R. Damron, M.D., FACR

**DRAFT**

*State of New Mexico*  
*Additional Level One Establishment Cooperative Agreement*  
*CFDA # 93.525 FON:IE-HBE-12-001*

**DRAFT COVER LETTER**

May 14, 2013

The Honorable Kathleen Sebelius  
Secretary, U.S. Department of Health and Human Services  
200 Independence Avenue SW  
Washington, DC 20201

*RE: CFDA No. 93.525 – Cooperative Agreement to Support Establishment of State Operated Health Insurance Exchanges*

Dear Secretary Sebelius:

I am pleased to submit New Mexico's application for an additional Level One Health Insurance Exchange Establishment Cooperative Agreement. The Applicant entity is the New Mexico Public Service Commission Division of Insurance.

Project Title: New Mexico Health Insurance Exchange Additional Level One Grant  
Applicant Name: New Mexico Public Regulation Commission Division of Insurance  
Project Director: John Franchini, Superintendent of Insurance  
(505) \_\_\_\_\_ John.Franchini@state.nm.us

Funding will be transferred to the recently created New Mexico Health Insurance Exchange (NMHIX) upon completion of its organizing activities pursuant to the enabling statute.

We would like to stress that New Mexico is in a transition phase as it implements the NMHIX under the new statutory requirements and is therefore in the process of realigning and reconfiguring certain functions, activities, and roles. In addition, the NMHIX will be submitting a re-scoped budget for the existing Level One grant funds once the funding has been transferred from the New Mexico Human Services Department as required by the NMHIX statute. Additional information on work plans and other aspects of NMHIX development will be provided and updated as the NMHIX board makes various policy and budget decisions. This grant application focuses on outreach, education, and enrollment activities as directed and voted on by the NMHIX board at its initial meeting April 29 & 30, 2013. This request reflects the urgency of these activities that must be implemented immediately given the October 1, 2013 parameter. Other information included in the grant application reflects the initial Level One grant application information, the Blueprint information, and publicly-released RFP documents.

We appreciate the opportunity apply for this funding to allow continued development of a New Mexico Health Insurance Exchange and look forward to working with you on this important initiative for our state.

Sincerely,

John Franchini

**ABSTRACT**

**Title:** New Mexico Level Two Health Insurance Exchange Establishment Grant  
**CFDA #:** 93.525 **FON #:** IE-HBE-11-004  
**Applicant:** New Mexico Public Regulation Commission Division of Insurance  
**Address:** \_\_\_\_\_ **Congressional Districts Served:** NM 1, 2, 3  
**Contact:** John Franchini, Superintendent of Insurance  
**Phone:** (505) \_\_\_\_\_ **Fax:** (505) \_\_\_\_\_ **Email:** John.Franchini@state.nm.us  
**Website:** www.nmprc.com **Category of Funding:** Level One  
**Project Dates for Project Completion:** July 1, 2013-June 30, 2014

New Mexico is applying for an additional Level One Health Insurance Exchange Establishment Grant to establish the New Mexico Health Insurance Exchange (NMHIX). The applicant organization is the New Mexico Public Regulation Commission Division of Insurance (DOI—On July 1, 2013, the DOI will become a stand-only agency called the New Mexico Office of Superintendent of Insurance).

Of New Mexico's population of two million, Medicaid covers 550,000, Medicare covers 300,000 and 430,000 are uninsured. Of the uninsured, an estimated 170,000 will become eligible for Medicaid and up to 250,000 for NMHIX between 2014 and 2020. It is estimated that as many as 171,000 of the uninsured will enroll in 2014 (89,000 through the expansion of Medicaid, and 82,000 through the NMHIX).

New Mexico has made substantial progress in NMHIX development activities through its initial Level One grant. Legislation was enacted in March 2013 to create the New Mexico Health Insurance Exchange as the entity to house the NMHIX. After that entity is fully developed this requested grant funding will be transferred from the DOI to the NMHIX. This requested funding will allow the state to continue development and implementation of the NMHIX and meet the timelines for certification and operation.

The objective for this establishment grant is to implement a comprehensive outreach, education, and enrollment system for the NMHIX. Other information included in the grant application reflects the existing initial Level One grant application information and Blueprint information.

A total of \$19.8 million in funding is requested for this additional Level One grant.

**NEW MEXICO HEALTH INSURANCE EXCHANGE LEVEL ONE GRANT  
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### **ACRONYMS**

ACA	Patient Protection and Affordable Health Care Act
APTC	Advance Premium Tax Credits
CSR	Cost Sharing Reductions
DOH	New Mexico Department of Health
DOI	New Mexico Public Regulation Commission Division of Insurance
DWS	New Mexico Department of Workforce Solutions
FPL	Federal Poverty Limit
GSA	Governmental Services Agreement
HSD	New Mexico Human Services Department
IAD	New Mexico Indian Affairs Department
ILC	Interagency Leadership Committee
IHCIA	Indian Health Care Improvement Act
ISD	Income Support Division
ISD2R	Integrated System Delivery Replacement Project
MAD	New Mexico Medical Assistance Division
MMIS	Medicaid Management Information System
MAGI	Modified Adjusted Gross Income
NMHIA	New Mexico Health Insurance Alliance
NMHIX	New Mexico Health Insurance Exchange
NMMIP	New Mexico Medical Insurance Pool
OHCR	New Mexico Office of Health Care Reform
OSI	Office of the Superintendent of Insurance
PSC	Professional Services Contract
QHP	Qualified Health Plan
RFP	Request for Proposals
SCI	State Coverage Insurance
SDLC	Software Development Life Cycle
SHOP	Small Business Health Options Plan
SOA	Service Oriented Architecture

## **PROJECT NARRATIVE**

### **INTRODUCTION**

The Affordable Care Act (ACA) allows states to develop Health Insurance Exchanges to help individuals and small businesses purchase health insurance. The New Mexico Health Insurance Exchange (NMHIX) will be high quality, cost-efficient, self-sustaining, and tailored to meet the diverse needs of New Mexicans.

New Mexico faces many challenges in developing and implementing NMHIX, including a high rate (~23%) of uninsured; health workforce shortages, language and cultural barriers, significant poverty, poor educational attainment, and that a majority of its small businesses do not offer health insurance to employees. Of New Mexico's population of two million, Medicaid covers 550,000 individuals, Medicare covers 300,000 and 430,000 are uninsured. Of the uninsured, an estimated 175,000 may become eligible for Medicaid and up to 250,000 for NMHIX between 2014 and 2020. An estimated 171,000 uninsured will enroll in 2014; approximately 89,000 through Medicaid expansion, and approximately 82,000 in the NMHIX.

New Mexico applied for and, on November 29, 2011, received a Level One Health Insurance Exchange Establishment Notice of Award of \$34.3 million to develop the NMHIX. The initial Level One grant was awarded to the New Mexico Human Services Department (HSD) and will be transferred to the new NMHIX as required by statute. New Mexico is in a transition phase as it implements the NMHIX under the new statutory requirements and is therefore in the process of realigning and reconfiguring certain functions, activities, and roles. In addition, the NMHIX will be submitting a re-scoped budget for the existing Level One grant funds once the funding has been transferred from the New Mexico Human Services Department as required by the NMHIX statute. Additional information on work plans and other aspects of NMHIX development will be provided and updated as the NMHIX board makes various policy and budget decisions. This grant application focuses on outreach, education, and enrollment activities as directed and voted on by the NMHIX board at its initial meeting April 29 & 30, 2013. This request reflects the urgency of these activities that must be implemented immediately given the October 1, 2013 parameter. Other information included in the grant application reflects the initial Level One grant application information, the Blueprint information, or publicly-released RFP documents.

The Governor has the legal authority to establish the Exchange (see Appendix 1) and has designated the New Mexico Health Insurance Exchange (NMHIX) as the organizational and governance entity for the state. The Governor has designated the DOI as the applicant for this grant. This grant and any remaining funds from the initial Level One grant will be transferred as soon as possible to the NMHIX as it completes its formation as an operating entity. A MOU is being executed between NMHIX and the DOI for the regulatory functions related to Qualified Health Plans. All plans in this proposal assume a State Based Exchange. The NMHIX board is evaluating all available Exchange options and will work with CCIIO to partner on the Exchange model and configuration that provides the most favorable outcome to New Mexico.

Through this proposal, New Mexico seeks \$19.8 million to implement comprehensive outreach, education, and enrollment systems.

## **A. DISCUSSION OF EXISTING EXCHANGE PLANNING AND EXCHANGE ESTABLISHMENT PROGRESS**

**Key Findings of Background Research** - New Mexico conducted in depth planning and research activities during the initial Level One grant period. HSD worked with consultants to refine the fiscal, actuarial, and population tools to assist in NMHIX planning and development. Significant work was done to modify and clarify assumptions, refine calculations, and develop more detailed projections.

In May 2012, HSD selected, through a competitive RFP process, Leavitt Partners to assist for 12 months with overall development of the NMHIX and assigned them the following tasks:

- Developing a strategic plan and implementation activities to include further stakeholder consultation, health insurance market reforms, and business operations of the exchange
- Assist with the development of rules, regulations, and policy governing the NMHIX
- Assist in preparing reports and materials required by HHS pursuant to the Level One grant award.

Enrollment projections refined by Leavitt Partners indicates the following projected take-up for the NMHIX:

**Table 1: Projected Enrollment of Coverage Groups for NMHIX 2014-2020**

	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
AHBE	73,876	102,605	128,637	153,389	173,855	172,779	177,574
SHOP	8,681	16,147	20,296	28,751	33,890	33,896	33,859

**Additional Research Necessary**--Additional research and analysis that may be necessary includes:

- Refining estimates of the number of individuals eligible to participate in the NMHIX and rates of coverage by age, gender, health status, income, geography, employment status, and for employed persons, by the size of the employing firm.
- Determining coverage uptake for eligible businesses.
- Assessing the key drivers of coverage uptake including the cost of coverage by income level; plan design; individual subsidies and penalties; dependent coverage; incentives/disincentives of reform on small businesses, including affordability of coverage.
- Measuring Native American enrollment using Indian Health Service data and Native American ACA, IHCA provisions and exemptions.
- Tracking the number of residual uninsured - due to affordability, inability to sign-up, and individuals who may be ineligible for NMHIX.
- Assessing individual and small group market conditions, including competition by carriers, rating laws, other regulatory and legal concerns.

## **2. Legal Authority and Governance**

***Governance and Exchange Structure***--The Exchange will be operated by the New Mexico Health Insurance Exchange (NMHIX). The NMHIX was created by the New Mexico Legislature in 2013 as a quasi-governmental nonprofit entity to: "Provide qualified individuals and qualified employees with increased access to health insurance in the state and shall be governed by a board of directors constituted pursuant to the provisions of the New Mexico Health Insurance Exchange Act." The legal authority for establishment of the Exchange is provided in the enabling statute of the NMHIX which is included as Appendix 1. The NMHIX is governed by a 13-member board of directors that was appointed in April 2013; the members have outstanding qualifications and will comply state and federal conflict of interest requirements.

***Composition of the Governing Body and Selection Process***-- By statute, the NMHIX board has 13 voting directors:

- The Superintendent of Insurance or his designee.
- Six directors appointed by the Governor (including the secretary of HSD, a health insurance issuer, and a consumer advocate);
- Six directors appointed by the Legislatures (with three appointed by the president pro tempore of the senate including one health care provider, and three appointed by the speaker of the house of representatives including one health insurance issuer. Of the directors appointed by the president pro tempore and one of the directors appointed by the speaker shall be from a list of at least two candidates provided by the minority leader of the senate and the minority leader of the house of representatives.)

***Coordination with HSD***—The statute requires HSD and the NMHIX to coordinate and to provide for contracting with the NMHIX for any federal funding received for an Exchange. The statute also requires HSD to coordinate with the NMHIX to share information and facilitate transitions in enrollment between the Exchange and Medicaid.

***DOI*** –The NMHIX statute charges the Superintendent of Insurance with promulgating rules necessary to implement and carry out the NMHIX, including rules to establish the criteria for certification of Qualified Health Plans ("QHPs") offered on the exchange. Initial guidelines for QHPs were promulgated in April 2013.

***Coordination with Native Americans***—The statute requires designation of a Native American liaison to assist the board in developing and ensuring implementation of communication and collaboration between the NMHIX and Native Americans in the state. The NMHIX is in the process of appointing the Native American Liaison. The Native American liaison will serve as the contact person between the NMHIX and the New Mexico Indian nations, tribes, and pueblos and will ensure that training is provided to the staff of the NMHIX to ensure cultural competency, understanding of Indian health laws, and other Native American issues. The statute also allows establishment of a Native American Service Center to ensure that the NMHIX is accessible to all Native Americans, complies with the provisions of the Indian Health Care Improvement Act and Indian-specific provisions of the ACA, and facilitates meaningful, ongoing consultation with Native Americans.

### **3. Stakeholder Consultation**

The state has held public stakeholder meetings since December 2010. With Establishment Planning Grant funding, the state contracted with 13 entities to provide information for development of NMHIX. In August 2011, New Mexico established a comprehensive, ongoing process for stakeholder input for NMHIX. HSD has maintained a website with NMHIX information for the public and stakeholders at <http://www.hsd.state.nm.us/nhcr/nhcrlao.htm>. In addition, HSD completed qualitative research and in-depth interviews with state agencies and stakeholders to maximize coordination and integration with entities that will directly interface with the NMHIX.

In June 2012, HSD established the NMHIX Exchange Advisory Task (ATF), composed of 14 members, and NMHIX Advisory Work Groups, composed of 12-18 members. The ATF and its Work Groups were asked to respond to pertinent questions and to advise and guide NMHIX decisions. The Task Force and Work Groups represented a variety of perspectives, including consumers, tribal representatives, large and small employers, self-employed people, health care providers, hospitals, insurance carriers, brokers, government leaders and agencies, underserved populations, and other community representatives. These members acted in an advisory role to inform and provide recommendations in the following areas:

- Essential Health Benefits
- Outreach, Education, Adoption, and Enrollment
- Employer Participation
- Exchange Market Regulation
- Native Americans
- Program Integration
- Financial Sustainability
- Legislative

The ATF and Work Groups were launched in June 2012, and operated through April 2013. Public attendance was encouraged at every meeting, dial-in phone numbers were provided, and press releases were submitted to newspapers of general circulation and posted on the HSD website to encourage participation. An email box, [exchange.comments@state.nm.us](mailto:exchange.comments@state.nm.us), was created to allow public comments and acknowledge requests for information through email.

The NMHIX law requires establishment of the following advisory groups: Native American, NMHIA/NMMIP transitioning, and stakeholders and those advisory groups are being formed.

***Tribal Consultation***--New Mexico's State Tribal Consultation statute, SB 196 (signed into law in 2009), requires state agencies to consult, communicate and collaborate with the 22 Tribes in New Mexico as a government-to-government positive collaboration on various issues. Governor Martinez hosted the annual summit in September of 2011 with Native American leaders. At the summit, HSD received input from Native American stakeholders on topics including Medicaid Modernization, Health Care Reform, Health Insurance Exchange and Health Disparities. HSD hosted two other Native American Stakeholder gathering and held one formal Tribal Consultations. NMHIX will continue to hold Tribal Consultations.

#### **4. Long Term Operational Costs**

The NMHIX statute provides that the board may “*generate funding, including charging assessments or fees, to support its operations....solely for the administrative costs of the exchange...*”. NMHIX will continue to develop and refine financial modeling and actuarial analyses. Initial projections indicate estimated total annual operating costs of between \$20 and \$25 million. NMHIX has established a Finance Committee which is refining actuarial analyses and developing a sustainability plan.

#### **5. Program Integration**

***Program Integration with Medicaid, DOI, and Others--***In an effort to determine and address impacts the New Mexico Exchange will have, the state has conducted program integration interviews with a wide cross section of New Mexico stakeholders. These stakeholders included state agencies (Medicaid, Dept. of Health, Indian Affairs, etc.), health insurance companies, insurance brokers and the NMHIX.

The goal of the program integration interviews was to identify gaps associated with knowledge of the exchange, resources gaps and technology gaps as well as addresses questions stakeholders may have as it relates to their role integrating with the NMHIX. As a result of these interviews, the state has already taken steps to address many of the issues and the NMHIX will continue to work with all stakeholders to address any remaining issues that could have an impact on the development and implementation of the NMHIX.

NMHIX will consult with MAD and the HSD Income Support Division (ISD) as key project stakeholders and request their participation in project plan review meetings, Joint Requirements Analysis sessions, and discussions to identify project dependencies between NMHIX and the Medicaid eligibility modernization project.

***Tribal Program Integration--***. New Mexico is the only state with a Cabinet level Indian Affairs Department. It is recognized as a national model for state-tribal relations. New Mexico enacted SB 196, the State-Tribal Collaboration Act in 2009. It codified an effective and comprehensive structure to ensure positive government-to-government relations, collaboration and communication between tribal governments and state agencies, and cultural competency in the provision of state services to Native Americans.

The NMHIX will work to promote effective consultation, communication and collaboration between state agencies and the 22 Tribes, Nations, and Pueblos in New Mexico. Targeted Native American services are being developed to address Native American health issues and specific provisions of the ACA including the permanent reauthorization of the Indian Health Care Improvement Act (IHCIA) as related to NMHIX development and implementation.

***New Mexico Medical Insurance Pool Program Integration***--The New Mexico Medical Insurance Pool (NMMIP) was established by the New Mexico State Legislature in 1987 to provide access to health insurance coverage to New Mexicans who are considered uninsurable. NMMIP also provides health benefit portability coverage to New Mexicans who have exhausted COBRA benefits and have no other options available.

NMMIP is administered by BlueCross BlueShield of New Mexico, which handles eligibility, enrollment, member services and claims processing. In 2010, HSD designated NMMIP to administer the Pre-existing Condition Insurance Program (PCIP) for New Mexico. NMMIP administers the PCIP as a separate program that operates with the existing state-based program.

New Mexico plans to transition enrollees of the PCIP to NMHIX and a formal transition plan will be developed, in consultation with the CCIIO PCIP Programs Group to address information about the end date of coverage, enrollee rights, and sources of assistance for questions, as well as information about NMHIX QHPs and other options. New Mexico will ensure that coverage transition/care coordination requirements are met, along with any other applicable provisions of state insurance law. The NMHIX statute requires establishment of an advisory committee comprised of members insured through the NMMIP and the New Mexico Health Insurance Alliance (NMHIA) to ensure smooth transition of the NMMIP and the NMHIA into the NMHIX. The NMHIX is in the process of appointing this advisory committee.

***Memorandums of Understanding***—The NMHIX statute requires transfer of the initial Level One grant funds from HSD to the NMHIX. A MOU will also provide for DOI regulatory functions for the NMHIX. There will be no duplicative uses of funds.

## **6. Business Operations of the Exchange**

***Business Process Flows***— NMHIX envisions a Plan Management solution providing integrated, seamless functionality to support all Plan Management functions described above for individual and Small Business Health Options (SHOP) plans. To meet the requirements, the solution will provide:

- Web-based access to view and manage plan management data
- Secure access to appropriate fields and screens by plan management staff, issuers
- Ability to send electronic notifications to authorized users and user groups
- Ability to configure process steps and allow users to track progress against processes
- Ability to receive electronic data from Issuers
- Interfaces to the Federal Data Services Hub to share and receive data
- Data sharing with Division of Insurance (DOI) – importing data and creating files to send to DOI
- Ability to store electronic content related to plans and Issuers, and access electronic content linked to plans and issuers
- Store and manage historical information about plans and issuers.

The NMHIX Plan Management function consists of the following core processes:

- Establish Issuer and Plan Initial Certification and Agreement
- Monitor Issuer and Plan Certification
- Establish Issuer and Plan Renewal and Recertification
- Maintain Operational Data
- Process Change in Plan Enrollment
- Review Rate Increase Justifications

NMHIX intends to leverage the SERFF system from the NAIC for the following functions:

- Marketing Standards
- Accreditation and Quality
- Notice of Intent
- Reporting Requirements
- QHP and state mandate standards
- Submission at Plan Level
- Indication of Metal Level
- Verification of Metal Level
- Quality measures
- Benefit Package
- Cost Sharing and Limits
- Rating Tables
- Final Determination
- Issuer and QHP Status
- Renewal and Certification
- Decertification of Issuer
- Decertification of Plan
- SHOP Plan Changes
- Individual Plan Changes

The following chart lists the various partner entities and their responsibilities. Those listed with an "X" indicate the sole responsibility of the partner entity.



Functionality		NMHIX	DOI	HSD	Carriers	Federal HUIR	NMMIP
<b>NMHIX</b>							
	Outreach & Education	X					
	Member Portal, SHOP Employer Portal	X				X	
	Navigator and Broker Programs/Training	X	X				
	Premium aggregation for SHOP employers (2015)	X					
	Call Center, Customer Service	X				X	
	Collection of fees / assessments	X					
<b>Plan Management</b>							
	Certification of QHPs		X				
	Decertification of QHPs		X				
	Rate review		X				
	Validation of EHB & metal plan designation		X				
	Quality metrics and network adequacy		X				
	Consumer complaints & appeals	X	X				
<b>Federal Services</b>							
	Automated Premium Tax Credits					X	
	Cost Sharing Reductions					X	
	Medicaid Assessment					X	
	Risk Adjustment					X	
	Reinsurance					X	
	Individual Mandate exemptions					X	
<b>HSD/Medicaid</b>							
	Full Medicaid determination/redetermination			X			
	Notification to Exchange of ineligible members			X			
<b>Carrier</b>							
	Development of Exchange Benefit plans & rates				X		
	Billing and collection of Individual members				X		

***Outreach and Education***--Comprehensive outreach and education efforts are being developed to assure the success of the NMHIX, including coordination of efforts among state agencies, community organizations, insurance carriers, and providers. The Outreach, Education, Adoption, Enrollment ATF Work Group made recommendations to the ATF and defined core strategies and target audiences, including primary and secondary audiences, which are:

- Educated health care consumers who are enrollees in QHPs;
- Individuals and entities with experience in facilitating enrollment in health coverage;
- Advocates for enrolling hard to reach populations, which include individuals with mental health or substance abuse disorders;
- Small businesses and self-employed individuals;
- State Medicaid and CHIP agencies;
- Federally-recognized Tribes, as defined in the Federally Recognized Indian Tribe List Act of 1994;
- Public health experts;
- Health care providers;
- Large employers;
- Health insurance issuers; and
- Agents and brokers.

The NMHIX will use a variety of methods to reach and engage these populations, and guide them to the NMHIX website or a Navigator or Assister where they can learn more about their options and enroll, including: materials development, earned media, paid media (advertising), social media, stakeholder engagement, partnerships and grassroots engagement and state employee communications.

Proposed general public marketing channels (in English and Spanish) include: print, radio, TV, social media/Facebook, web, health fairs, billboards & other health events; coordination and engagement with Chambers of Commerce, nonprofit organizations, federally-qualified health centers, rural clinics, hospitals, schools, churches, shopping malls, and Medicaid offices; and coordination and engagement with statewide distribution services such as through the New Mexico Taxation and Revenue Department, Division of Motor Vehicles, and gas and electric companies.

Native American marketing channels will include: print, radio, TV, social media/Facebook, web, health fairs, other events; educational website hotlinks for Native Americans; face to face meeting opportunities; coordination and engagement of Chapter Houses, senior centers, health fairs and Pow Wows; marketing through Native American Radio: Singing wire and Native American calling and Public Service Announcements; marketing and educational efforts through social and alumni organizations through newsletters; and advertising on buses and bus stops.

The Outreach, Education, Adoption, Enrollment ATF Work Group recommended the initial campaign include the following public relations and advertising messages to:

**Individuals & the General Public:** benefits of having coverage; increased access, increased choice; who can participate, how it will work; Advance Premium Tax Credits (APTC) & Cost Sharing Reductions (CSR); navigator & agent/broker assistance; and premium calculator.

**Small employers:** increased access, increased choice; who can participate, how it will work; Small Business Tax Credits; and comparison tools

**Native Americans (members of federally recognized Tribes)--**increased access on a monthly basis; increased choice of providers and facilities; and strengthen IHS services and access

**Navigators, Agents and Brokers:** how NMHIX can help get their clients covered; who can participate, how it will work; and how they are compensated.

NMHIX will contract for qualified vendor services to create culturally and linguistically appropriate outreach and education materials. NMHIX will procure the services of a qualified telephonic translation service to comply with this provision.

**Call Center--**NMHIX is currently evaluating call center options. Call center functions will include handling customer calls and support enrollments, answering questions regarding eligibility, and providing other types of customer assistance. Customer Service Representatives (CSRs) will be trained in enrollments, eligibility and SHOP, and calls will be routed to specialists using an interactive voice response system to increase efficiency and optimize customer service. Performance measures will include a six-month baseline period to adequately gauge call volume, calibrate the forecasting model and establish 30, 60 and 90-day call volume forecasts and CSR staffing. The call center will use a translation service such as that currently in use by the Medical Assistance Department.

**Navigators and Assisters--**NMHIX will work with the DOI to establish a program through which eligible public or private entities or individuals will be certified to serve as Navigators and Assisters. The Navigator program will have a set of standards developed by the NMHIX and DOI to prevent and mitigate conflicting interests to ensure that participating entities and individuals have reliable integrity, in accordance with federal regulations.

The training standards required of all entities and individuals participating in the Navigator program will ensure expertise in: the needs of underserved and vulnerable populations; eligibility and enrollment rules and procedures within NMHIX; the range of QHP options and insurance affordability programs; and the privacy and security standards set forth in 45 CFR 155.260 and as may otherwise be adopted by NMHIX. The ATF Outreach, Education, Adoption and Enrollment Work Group recommended that Navigator training program include the following components:

- Abbreviated Presumptive Eligibility/Medicaid On-site Application Assistance (PE/MOSAA) Medicaid training: Medicaid Overview (What is Medicaid); Non-financial eligibility factors (Residency, other insurance policies, SSN, pregnancy); Determination of the household size; Financial Eligibility; and Universal Application Assistance.

- Cultural training: New Mexico Department of Health On line Training and New Mexico Indian Affairs Department: Classroom Training.
- NMHIX Training: Eligibility & Enrollment; Qualified Health Plans; APTC and CSR; Premium Calculator; Native American Eligibility; Privacy and Security (HIPAA, Personal Identification Information); and Registration with NMHIX.
- Insurance Market training: Commercial Market Insurance Basics; NMHIX Insurance basics for individuals and small employer groups; and Income changes and impact on APTC and CSR.

NMHIX will mandate the following duties for all entities or individuals acting as a Navigators or Assisters:

- Maintain expertise in eligibility, enrollment, and program specifications and conduct public education activities to raise awareness about NMHIX;
- Provide information and services in a fair, accurate and impartial manner, including the acknowledgement of other health programs;
- Facilitate selection of QHPs;
- Provide referrals to any applicable office of health insurance consumer assistance or health insurance ombudsman established under section 2793 of the Public Health Service Act, or any other appropriate state agency or agencies, for any enrollee with a grievance, complaint, or question regarding their health plan, coverage, or a determination under such plan or coverage; and
- Provide information in a manner that is culturally and linguistically appropriate to the needs of the population being service by NMHIX, including individuals with limited English proficiency, and ensure accessibility and usability of Navigator tools and functions for individuals with disabilities in accordance with the Americans with Disabilities Act and section 504 of the Rehabilitation Act.

NMHIX will select a community and consumer-focused non-profit group and at least one of the following categories to serve as Navigators: Trade, industry, and professional associations; Commercial organizations, ranching and farming organizations, with New Mexico-specific industries under consideration; chambers of commerce; unions; resource partners of the Small Business Administration; and other eligible public or private entities or individuals, including without limitation, Indian Health Services, Indian tribes, tribal organizations, urban Indian organizations, and State or local human service agencies.

Initial and ongoing Navigator/Assister regulatory oversight will be the responsibility of the DOI, including background checks; training completion documentation; initial licensing and recertification; cultural training; NMHIX training; and complaint reporting. The Consumer/Navigator umbrella organization will be subject to the oversight of NMHIX. Any consumer/Navigator organizations contracted with NMHIX would be charged with field oversight over Navigators/Assisters under their supervision.

NMHIX will exercise authority over Navigators/Assisters to ensure compliance with the program and to prohibit Navigators/Assisters from: being a health insurance issuer or a subsidiary thereof; or being an association that includes members of, or lobbies on behalf of, the insurance industry; or receiving any consideration directly or indirectly from any health insurance issuer in connection with the enrollment of any individuals or employees in a QHP or a non-QHP. Navigators/Assisters will be required to execute conflict of interest statements that will include compliance with HIPAA and PII rules, and any other requirements determined to be appropriate.

Navigator/Assister compensation guidelines will assure compliance with ACA requirements. Payments will be consistent across markets and products. Accountability standards will be tied to payments, such that organization entities will be accountable to NMHIX, and Navigators/Assisters will be accountable to their organizational entity.

NMHIX is developing an RFP directed to consumer and nonprofit organizations to develop NMHIX Navigator/Assister programs. Navigator/Assister programs are being designed to eliminate barriers in accessing the application process by providing in person assistance in community-based locations frequented by target populations at times that are convenient to working families, including evenings and weekends. Federal funds will support the development of training programs for the Navigators and for implementation of the Assister program.

When the NMHIX is fully operational, agents and brokers will assist individuals, employers and qualified employees in the comparison and selection of QHPs. NMHIX will determine how best to use these agents and brokers to help consumers access coverage through NMHIX.

The ATF Outreach and Education Work Group has recommended that agents and brokers act as the primary assistance resource for small employers who wish to purchase plans in the SHOP NMHIX. Agents and brokers, including web brokers, who wish to sell NMHIX products will be required to meet licensing requirements and take additional training on NMHIX protocols. Agents and brokers will register with NMHIX as required by rule, receive training on QHP options and other publicly subsidized insurance programs, and comply with NMHIX privacy and security standards. NMHIX will coordinate with DOI to create training and licensure requirements that are ACA-compliant.

***Agents and Brokers***--Agents and brokers will receive compensation from carriers for enrollment in NMHIX, in accordance with the brokers' contracts with the carriers. The enrollment system will accept a Broker ID and transmit that data to the carrier so that the Broker can receive the commission. As in the current small group market, brokers will continue to serve as the primary sales force for small group insurance in New Mexico.

***Plan Management***

The Superintendent of Insurance has authority over all health insurance plans sold in New Mexico. In November 2012, New Mexicans passed an amendment to the State Constitution to remove the DOI from the purview of the PRC. Legislation was passed in the 2013 session to provide for the restructuring of the DOI. The Superintendent of Insurance will maintain the same authority as outlined in the statute. DOI will be responsible for plan management functions, including QHP certification, of the NMHIX solution. DOI will utilize the National Association of Insurance Commissioners' System for Electronic Rate and Form Filing (SERFF) to support a majority of the plan management functions. DOI will expand its current protocol of plan and issuer approval to encompass QHP plan and issuer approval as follows:

***Initiate QHP issuer Application***-- DOI intends to follow a two-part QHP application, with the majority of information collected at the issuer level, and rate and benefit data review, captured at the specific QHP plan level. Applications will be accepted via SERFF, which will be configured to capture the data needed by DOI to certify QHPs. SERFF will perform automated checks on the application for completeness and syntax. Issuers will be asked to attest to the complete application at this time. The timeline for the initial QHP applications is as follows: QHP carriers were required to submit their plans April 30, 2013. DOI has begun to review plans and will have a target date of July 1, 2013 for plan certification.

***Evaluate QHP Issuer Application*** --Once the application is complete, the review process will shift to an evaluation of the submitted plan benefit and rate data. The overall QHP plan review process will be facilitated through SERFF; however, specific analytical steps will be performed by DOI staff with the results captured in the SERFF system record. DOI will leverage existing units to focus on QHP application review segments that are complimentary to existing functions. New Mexico has extensive state mandate requirements, which will be included in the QHP certification requirements.

***Review Rate and Benefit Data Information*** --This process includes the receipt of rate and benefit data for each QHP. Rate and benefit data is being received in a comprehensive QHP application, and the issuer attestation process will be performed at the point of initial application submission. In 2011, DOI revised and strengthened the rate review process.

***Analyze Rate and Benefit Data and Information*** -- DOI will review and analyze rate and benefit data and information during the QHP application and recertification process, as well as any rate increases that may be requested outside of these cycles. DOI anticipates that all rate increases will be submitted to CMS for QHPs. Issuers will need to update rate and benefit information at least annually. SERFF will be utilized to receive rate information and track the review process and final disposition.

***Revise QHP Issuer Application*** --This process may be performed at different points in the QHP Issuer Application Evaluation Process to allow the issuer to resubmit portions of its QHP Issuer Application if issues with the application are discovered. SERFF will be used to notify issuers of the need for revisions, to track correspondence, and receive the updated information.

**Revise Rate and Benefit Data and Information**--This process will be performed by DOI to request issuers to submit revised rate and benefit data and information. SERFF will be used as the technical solution to notify issuers of the need for revisions, to track correspondence, and receive the updated rates. The revised information will then be sent to rate and benefit analysis process.

**Determine Issuer or Plan Non-Certification** --This process provides for non-certification of issuers or specific plans. There are multiple instances within the QHP certification processes that would trigger non-certification of an issuer or a plan. Non-certification communication will be managed within the SERFF system, whereas appeals management and tracking will be handled within by the DOI using existing legal resources.

**Establish QHP Certification Agreement** --This process is performed for those issuers who meet the standards as determined by DOI in the QHP issuer application evaluation, rate analysis, and benefit evaluation processes. DOI and the NMHIX will develop a standard QHP contract whereby issuers will certify that they will comply with all applicable state and federal laws, regulations, and guidelines. The SERFF system will facilitate the transmission of the agreement and track the correspondence related thereto.

**Monitor Issuer and Plan Certification Compliance** -- DOI will monitor QHP compliance by leveraging existing oversight functions. In the event of an adverse event or adverse finding from a periodic assessment that may affect a QHP's certification status, DOI will coordinate support to resolve the issue. Appeals related to oversight and monitoring activities will be handled through the DOI's existing appeal resolution process. DOI will notify NMHIX to remove the QHP from sale upon finding cause to decertify a QHP.

**Maintain QHP Operational Data** --This process includes receipt of consumer complaints and corresponding responses, the ongoing management of issuer administrative data, and updating the QHP enrollment period availability. DOI will be responsible for the management of the consumer complaint process for QHPs, including complaints referred from the call center, and will coordinate among internal units as needed to resolve consumer complaints or identify potential compliance issues. SERFF will be used to record all QHP administrative data.

**Licensure and Financial Solvency** --DOI conducts licensure assessments based on financial history, background, financial exams, holding company structure, and other relevant issuer financials. The process includes issuer submission of the Uniform Certificate of Authority Application (UCAA). The UCAA is designed to allow insurers to file copies of the same application for admission in numerous states. Each state that accepts the UCAA is designated as a uniform state. New Mexico fully participates and is designated as a uniform state.

**Service Areas** --DOI will be responsible for plan review including QHP service areas. Issuer plan data submissions must specify service areas that will be reviewed according to guidelines in the PPACA § 155.1055(a). The QHP service area must cover a minimum geographical area that is at least an entire county or group of counties, unless the NMHIX determines that serving a smaller geographic area is necessary, nondiscriminatory, and in the best interest of the qualified individuals and employers.

The QHP service area must be established without regard to racial, ethnic, language, health-status related factors, or other factors that exclude specific high utilizing, high cost, or medically-underserved populations. The existing DOI protocol is consistent with PPACA § 155.1055(a). SERFF form filing will include plan service area parameters. This will be included in the annual submission of plan data.

***Network Adequacy*** --Issuers must specify network adequacy upon plan submission to SERFF. SERFF will support the collection of Network Adequacy data and will additionally have the ability to confirm that an issuer has an adequate network or has attested to an adequate network. DOI will ensure that the QHP has made its provider directory available for online publication (or has provided the source of online publication) and has indicated providers who are no longer accepting new patients according to PPACA § 156.230(b).

The SERFF Network Adequacy tool will be used to assess additional requirements included in PPACA § 155 and § 156 such as the inclusion of essential community providers and the availability of sufficient numbers and types of providers. SERFF form filing will include network adequacy information. This will be included in the annual submission of plan data. DOI may elect to include additional network adequacy requirements once the SERFF enhancement information is available. For a more detailed review of DOI Network Adequacy standards, see DOI “Evaluation of Solvency, Accreditation, Network Adequacy, and Rate Review.”

***Marketing*** --DOI will be responsible for review of marketing materials. New Mexico currently reviews issuer marketing materials as part of its market conduct examinations that are authorized under New Mexico state law.

***Accreditation*** --URAC and NCQA accreditation will be verified and accepted. Quality Improvement and quality measures will be part of accreditation. Complaint and compliance information on issuers is currently available but is not a standard part of the plan review process. Consumer assistance information will be gathered in the QHP review process (and also to develop plan ratings.) Complaints and appeals information will be used in accreditation according to 45 CFR 156.275. Consistent with the National Association of Insurance Commissioners white paper on this topic for QHP issuers that are not already accredited, DOI will establish a uniform period following certification of a QHP within which the issuer must become accredited.

***Essential Health Benefits and Discriminatory Benefit Design*** --DOI will review plan filings for compliance with essential health benefit and discriminatory benefit design guidelines, as well as state mandates.

***Rating Areas*** --Rating areas will be a consideration in the QHP review process. A third party actuary will assist the state in defining rating areas.



**Cost-sharing Reductions** --Collection, analysis, and if required, submission to Federal government for review of QHPs' plan variations for cost-sharing reductions, advance payment estimates for such reductions, and any supporting documentation needed to ensure compliance with applicable regulations and accuracy of the cost-sharing reduction advance payments. This should be included in the SERFF functionality.

**Actuarial Value**--DOI will use a third party actuary to verify rates; SERFF will be used to maintain information.

**Market Reform Rules** --DOI will ensure QHP compliance with market reform rules in accordance with all applicable regulations and guidance.

**Rate Review and Rate Increases** --Rate information is submitted in SERFF as part of application (usually several months prior to enrollment). Rates are approved by an actuary first if there are a large number of lives affected [under 10% usually handled in house]. Rate increases are reviewed with the Superintendent. Rate increases are analyzed based on earned premium, incurred claims and loss ratio. All of the data for the application comes from SERFF.

The rate review process is separate from the application/plan review in form filings. It is an iterative process facilitated by SERFF. There is a 30 day response time required on revisions. Information will be submitted to CCIIO via quarterly reports in the Health Insurance Oversight System (HIOS). For additional rate review details, please see attached "Evaluation of Solvency, Accreditation, Network Adequacy, and Rate Review."

**CO-OP Plans** --New Mexico has a new CO-OP plan, New Mexico Health Connections, which will offer plans on the NMHIX. DOI will conduct reviews of CO-OP plans on the same basis and in the same manner that it reviews all plans. DOI will provide recommendations to CMS on whether a CO-OP plan meets NMHIX standards for a QHP to assist CMS in its decision to deem CO-OP as certified to participate according to 42 CFR 156.520 (e);

**Plan Volume and Certification**--The number of health plans offered on the NMHIX is anticipated to be between 40 and 120. New Mexico currently has a small number of carriers. DOI will be providing all QHP certification for the NMHIX. Business processes such as agent licensure, carrier solvency, grievances and complaints, rate review, confirmation of actuarial value and carrier Certificates of Authority will be under the authority of the DOI. The NMHIX will require that QHPs be certified by DOI before they may be sold on the NMHIX. DOI will use a contracted actuary for determining the second-lowest cost silver plan. DOI intends to monitor QHP compliance by leveraging existing oversight functions within the department. In the event of an adverse event or adverse finding from a periodic assessment that may affect a QHP's certification status, DOI units will coordinate to support the resolution of the issue.

**Consumer assistance; Issue and Complaint Resolution and Reporting**--DOI is responsible for addressing consumer inquiries, comments, and complaints; collecting data; and reporting data to the federal government. The plan oversight system is largely complaint or referral-based and driven by reports to the DOI. Complaints and issues related to QHPs will be managed within the existing business process.

The DOI sends quarterly compliance uploads to HIOS and bi-monthly reports to NAIC. Additionally, the Superintendent issues a data call annually to review grievances and complaints filed against a carrier during the previous year. DOI uses a distributed complaint/issue tracking system. In some cases, the Examinations Bureau will become involved in issuer oversight, especially in cases where the legal department is contacted directly as opposed to complaints logged in consumer assistance.

The DOI provides inter-agency information as necessary. The DOI “Consumer Guide to External Review” explains the complaint-filing and resolution process:

<http://www.nmprc.state.nm.us/insurance/managed-healthcare/consumer-guide-external-review.html>

***Licensure, Financial Solvency, and Market Conduct*** --DOI is responsible for oversight of the licensure, solvency, and market conduct of issuers who submit QHPs to be offered on the exchange. Market conduct exams will be conducted every 3 years and compliance issues will be addressed. DOI conducts financial oversight of issuers including review of financial statements, quarterly write-ups assessing risk profiles, and other audits or reviews as needed. During the course of complaint resolution, the Examinations Bureau may be notified of potential solvency or market conduct issues and may initiate an investigation.

DOI has the capacity to review foreign issuers as necessary in conjunction with the state of domicile. DOI will use its existing protocol, expanded to include the standards for QHPs, to monitor ongoing compliance. Issuers are currently required to obtain a renewal of their Certificate of Authority annually. DOI uses the NAIC Uniform Certificate of Authority structure to assess applications for Certificates of Authority from carriers. DOI and the NMHIX will be able to transfer information electronically, using the new NMHIX IT system and with some modifications to the existing DOI IT system. The NMHIX will require that a QHP be certified/approved by DOI before it can be offered to consumers.

DOI has a consumer ombudsman to assist consumers with complaints. The NMHIX call center will be the initial point of contact for consumers with complaints. Complaints regarding consumers seeking to appeal a QHP decision or lodge a complaint against a QHP or QHP provider will be routed by the call center staff to DOI. The call center will keep records of those referrals.

QHP issuers will designate a point of contact for NMHIX matters. DOI provides plan submission support to health insurance carriers in plan filing process, largely facilitated through SERFF. QHP submissions will follow a similar process but may require more support and issue resolution specifically related to new QHP form fields or documentation necessary to submit QHPs. DOI will support the issuers with the filing process including contact with the DOI IT division if required to assist with technical issues. If issuers contact DOI, they will be routed to the appropriate division unless the IT Department is able to resolve the issue. DOI will be responsible for maintaining any updates in the issuer QHP account, if applicable.

Additionally, DOI plans to create outreach to New Mexico's carriers regarding the new QHP process, in all its areas. Since the number of carriers is so small, a DOI staff member should be able to take calls from the carrier contact to clarify any additional questions once the initial training has been attended.

Plans will be required to submit for recertification every three years. They will submit via SERFF, and DOI will follow the same protocol used for initial certification. Renewal will be available annually and will include the review of QHP rate, benefit, and cost sharing information pursuant to 45 CFR 155.1020(c).

***Decertification / Withdrawal/ Transitioning***--Consumers and employers transitioning to new plans will be sent notifications of the new enrollment period, giving them sufficient time to enroll in a new plan. DOI will follow standard industry practices on transitioning. QHPs may be decertified or withdrawn in the course of ongoing or periodic monitoring or as the result of an adverse event reported to DOI. If DOI is considering a non-compliant event that could lead to decertification, it will send an interim letter of sanction to the carrier, specifying the issue and its needed resolution. It will also include a statement of possible decertification and the time periods that will be used to monitor the carrier's attempts to resolve the issue. If there is a voluntary company/issuer withdrawal from the state, the company must give the state 180 days' notice. For QHP individual plan withdrawal, DOI sends notification to the consumers. For SHOP plan withdrawal, DOI will work with the NMHIX to send notifications to the employers.

***Appeals*** --New Mexico has an informal hearings process with a group of deputy commissioners that serve as hearing officers when necessary. Outside hearing officers can also be appointed. Issuers can appeal decisions made by DOI, such as objection letters to rate filings. See the appeal protocol attached in: Carrier Appeal Process.

***Eligibility and Enrollment***--The NMHIX will develop a single, streamlined application that will be available to consumers via the Exchange. The NMHIX will work to review and refine the details of the application components, to describe operational and administrative workflows, and to outline related policy considerations.

Upon entry into NMHIX, enrollees will be asked if they wish to complete an insurance affordability assessment. If an enrollee decides not to complete an assessment, he or she will be asked to provide information so a comparison can be made among non-subsidized QHPs for possible enrollment.

For enrollees who wish to complete an assessment, NMHIX will collect the required data (Name, age, income, blind and disabled status, etc.) from enrollees and family members. The NMHIX will send a web services query to the Federal Data Services HUB for the enrollees' MAGI. NMHIX will use the MAGI data provided by the Federal Data Service HUB as well as the enrollee's age, blind and disabled status to assess eligibility for Medicaid & CHIP. If the enrollee is assessed to be eligible for Medicaid, the enrollee will then be referred to ISD.

It is anticipated that if ISD determines that an enrollee is not eligible for Medicaid/CHIP, the enrollee will be referred to the NMHIX to complete an eligibility determination for APTC/CSRs. It is further anticipated that for enrollees who go directly to ISD and are not eligible for Medicaid/CHIP, they would be referred to the NMHIX for an eligibility determination for APTC/CSRs. It is anticipated that ISD would provide the NMHIX with enrollment data supplied by the enrollee to streamline the eligibility process for the APTC/CSRs determination.

The NMHIX will also be utilizing the Federal service to determine eligibility for APTC/CSR. The NMHIX will send data via web services using the Federal Data Services HUB and plans to provide the enrollee with the calculated subsidy for which eligibility has been determined. If there is a discrepancy between the enrollee's income and the MAGI provided by the Federal Data Service HUB, the NMHIX will begin the appeals process in an effort to make a redetermination of the enrollees APTC/CSR eligibility.

NMHIX will build an exchange that supports an online single-streamlined application process to provide consumers with access to Insurance Affordability Programs and an online tool to shop and enroll in commercial insurance. The online web portal will be designed to accommodate the needs of applicants with disabilities and limited English proficiency through a variety of translation services and customer support tools. The Customer Service Center shall also support a mail room function in the event that a consumer prefers to complete a paper application. The mail room will mail the applications to individuals as well as employees who request a paper application to enroll in a small employer and/or individual benefit plan. The mail room will also receive completed paper applications.

The access channels will have the capacity to assist consumers with disabilities or with limited English proficiency that comply with all applicable federal policies and laws, through the following features:

- User friendly, plain English, web portal with mouse-over help feature
- 508-compliant web portal for the visually impaired
- Text Telephone (TTY) services for the hearing impaired
- Third-party language translation services for individuals with limited English proficiency
- Applications and supporting materials, notices, and correspondence in multiple languages upon request.

New Mexico will contract with a vendor that can provide a system that is able to generate and send correspondence in electronic formats, print correspondence onto standardized paper, and provide services for sending notices, which includes folding, postage, and delivering correspondence. The Exchange will support both secure and non-secure correspondence.

Additional information on the eligibility and enrollment system may be found in the initial Level One application and the Blueprint document. The NMHIX is in the process of updating and revising all implementation plans.

***Financial Management***

The NMHIX is developing detailed financial management and oversight procedures for strong internal monitoring for all NMHIX operations and expenditures and to ensure proper use and oversight of state and federal funds. NMHIX is obtaining financial consulting expertise from its project management consultants to develop oversight procedures and monitoring policies. NMHIX is in the process of completing self-sustainability and fiscal planning to allow full fiscal self-sufficiency by 1/1/15. New Mexico will fund the ongoing operations by charging user fees/assessments on issuers and provide for advance notice of proposed fees in accordance with federal regulations.

***Establishment Reviews by CCIO***

CCIO performed an establishment review in October 2012. New Mexico received conditional approval for its State Based Exchange in January 2013.

***7. IT Gap Analysis and Exchange IT Systems***

IT Gap analysis was provided in the initial Level One grant. The NMHIX IT system will be a consumer-oriented system for New Mexico that will allow the consumer to not only perform online eligibility determination and enrollment processing, but also allow them to review a variety of available health insurance alternatives. New Mexico has made significant progress in IT planning and development activities for the NMHIX. New Mexico is in active procurement of the IT vendor, thus further information cannot be detailed. The publicly available information about the systems follow:

The system will provide the following functionalities:

- a. Individual Eligibility & Enrollment
- b. Individual Responsibility Exemption
- c. Small Business Health Options Plan (SHOP) Eligibility & Enrollment
- d. Verify Eligibility for Individual Federal Subsidy of Insurance Premium
- e. Data Exchanges/Interfaces
- f. Carrier and Plan Certification and Recertification
- g. Monitor Carrier and Plan Certification Compliance
- h. Establish Issuer and Plan Renewal and Recertification
- i. Review Rate Increase Justifications
- j. Display Carrier Ratings by Price and Quality
- k. Maintain Operational Data
- l. Process Change in Plan Enrollment Availability
- m. Advanced Payments in Premium Tax Credit and Cost Sharing Reduction
- n. Premium Processing/Payment Aggregation
- o. Data Collection
- p. Risk Adjustment and Reinsurance
- q. Issuer Payment Transfers
- r. Allocate Cost for NMHIX IT Maintenance and Operations
- s. Call Center Module

- t. Navigator Module
- u. Tribal Assistance Module
- v. Marketing and Outreach
- w. Broker Module
- x. Client Correspondences
- y. Management of Exchange Operations
- z. Federal, State and Management Reporting
- aa. Interface with Federal Data Hub
- bb. Interface with Medicaid (Aspen)
- cc. Interface with NAIC SERFF

The high-level operational requirements and characteristics of the integrated solution are described below:

- First Class Consumer Experience
- Compliance with PPACA Section 1561 Standards
- Eligibility assessments for Medicaid and CHIP
- Real Time Verification with Federal and State Systems
- Automated renewal process
- Reasonable compatibility and self-attestation
- ADA and LEP Compliance
- HIPAA (5010), NIST, HITECH, FIPS and IRS Compliance

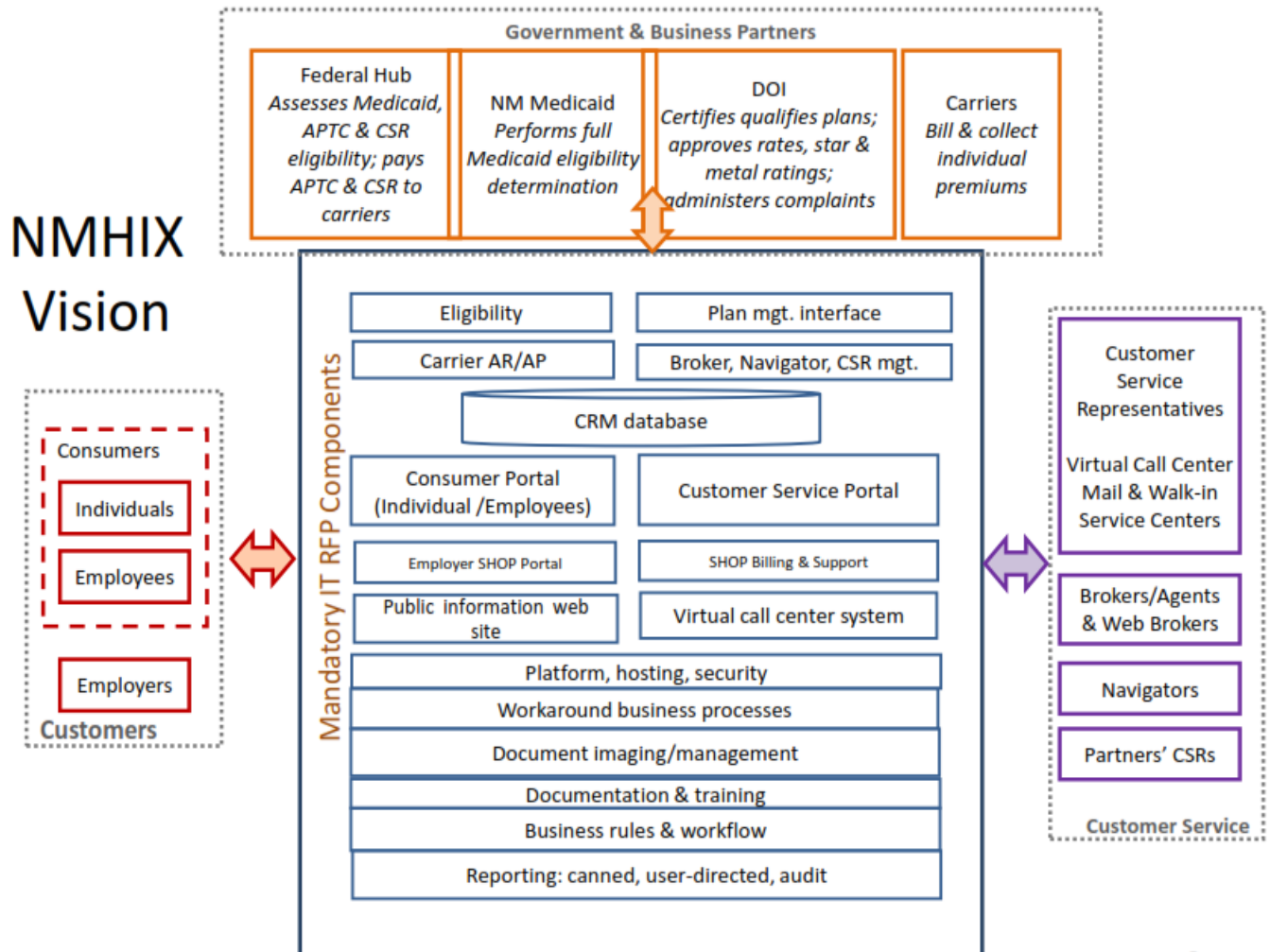
NMHIX will serve as the centerpiece of the Exchange technology and will leverage its services oriented architecture to:

- Integrate with Insurance Carrier Systems
- Integrate with State and Federal data hubs and other verification systems
- Integrate plan selection, SHOP, financial management, and appeals management with NMHIX
- Integrate with QHPs and state eligibility systems
- Support management of Exchange master data
- Provide support for, and integration with, customer support systems and processes
- Utilize customer feedback surveys, notices, help text, live chat, email and texting and other sources of feedback for design and improvement
- Provide a Navigator Portal for them to support, assist and complete applications, renewals, updates and more.
- Provide a Qualified Health Plan portal and/or integration so they can keep their provider lists current
- Provide an Employer portal so the employers can access SHOP and keep their rosters current

## Business Processes Supported

The NMHIX IT committee is actively working towards the following vision for the business processes and refining the model based on anticipated timeframes and available resources:

**Figure 1 - Business Processes Supported By the Proposed NMHIX**



## 1. Individual Eligibility Requirements

NMHIX envisions a single Exchange portal to allow individuals to anonymously shop and compare QHPs and to determine eligibility for APTCs or CSRs. This portal will provide an online application process for QHPs that is specific to individuals wishing to purchase health insurance coverage in the individual market.

NMHIX must collect the needed eligibility data, verify the data, determine and verify eligibility, and notify individuals and insurance carriers regarding eligibility changes. The business and functional requirements for processing and screening applications, determining eligibility, renewing eligibility, and handling appeals includes the following core processes:

1. Prepare Initial Individual Application
2. Verify Individual Citizenship, Status as a National or Lawful Presence
3. Determine Individual Exchange
4. Verify Individual Incarceration Status
5. Renew Individual Eligibility and
6. Appeal Individual Eligibility
7. Verify whether an Individual is a Native American (NA/IA)
8. Verify Individual Residency in Exchange Service
9. Verify Eligibility for Other Public Minimum Essential Coverage
10. Verify Income
11. Qualify Individual for Enrollment Period
12. Communicate Eligibility Determination and Coordinate Enrollment
13. Determine Individual Exemption Eligibility
14. Renew Individual Exemption Eligibility
15. Change Reporting

### ***IT Reviews with CCHIO***

New Mexico has had ongoing IT discussions and meetings with CCHIO.

### ***Status of Exchange Life Cycle or Systems Development Life Cycle (ELC/SDLC) Process***

New Mexico is incorporating ELC/SDLC as part of its IT strategy.

## **8. Reuse, Sharing, and Collaboration**

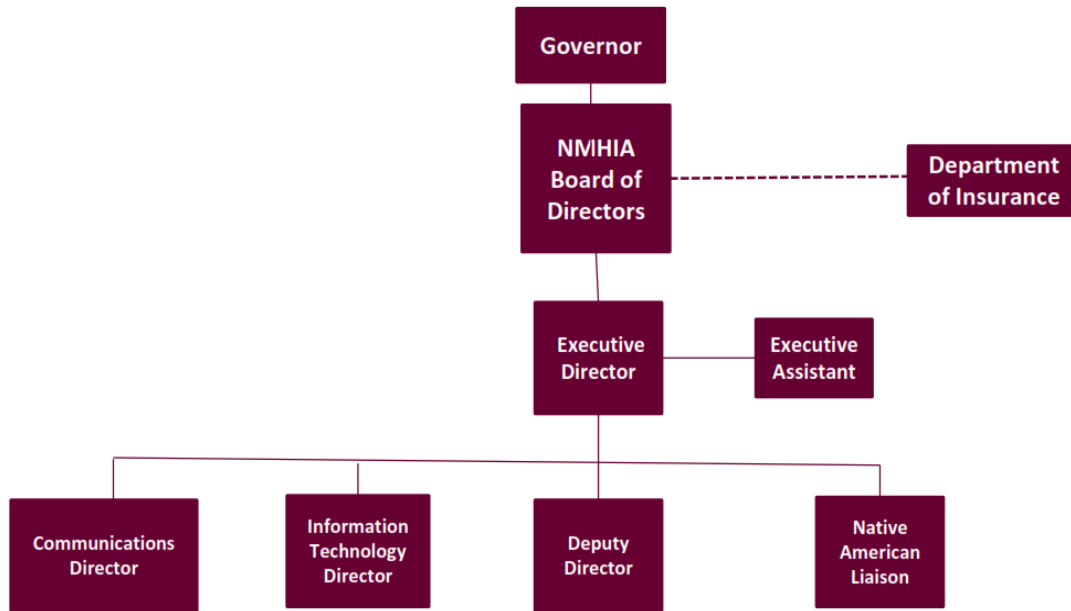
As outlined in agreements with HHS, all Exchange systems and system components financed with federal funds are non-proprietary, utilize open architecture standards, and permit re-use by other states and jurisdictions. New Mexico will produce requirement specifications, analysis, design, code, and testing that can be easily shared with other interested and authorized parties and stakeholders, including other states.

New Mexico will inform and assist other states through various means, including HHS Learning Collaboratives and User Groups. Beyond reuse and sharing of IT, New Mexico is committed to leverage existing infrastructure and re-purpose business functions and processes to maximize state resources and is working with other states to determine how aspects of their systems can be replicated in New Mexico.



## 9. Organizational Structure

Outlined below is the preliminary organizational chart for the NMHIX (subject to approval and modification by the board):



### ***Key Exchange Leadership***

**John G. Franchini, Superintendent of Insurance**—Mr. Franchini is a native New Mexican and graduate of Creighton University, with 35 years experience in the insurance industry. He joined Consolidated Agency, his father’s independent insurance agency, purchased it ten years later and expanded it to four locations employing 82 people and servicing nearly 15,000 customers. He served on the New Mexico Workers’ Compensation Assigned Risk Pool Board of Governors, the Patient Compensation Administration Board of Directors, and was elected president of the Independent Insurance Agents of New Mexico. In 1998, Poe & Brown, a national insurance broker, purchased the business. He was named vice president. His responsibilities included new business production, development of specialized insurance programs, and agency acquisitions. He joined New Mexico Mutual in 2002 and later named Vice President of Government and Industry Affairs. He is a member of the Leadership New Mexico Class of 2007, former board member of the Rocky Mountain Insurance Information Association, and past president of the NM Insurance Association.

**James R. Damron, M.D., FACR, NMHIX Board Chair** - Dr. Damron is an attending radiologist at UNM, Health Science Center, School of Medicine and teaches in the specialty of Clinical Mammography, overseeing radiology residents and providing lectures to medical students on state and federal health policy issues. Prior to UNM, he was President of Santa Fe Radiology, P.C., providing diagnostic radiology imaging services in Santa Fe for 30 years before he retired.

Dr. Damron received his Medical Degree from Indiana University School of Medicine, his radiology training at the University of Kentucky Medical Center and did a Nuclear Medicine Fellowship at the University of New Mexico. He is Board Certified by the American Board of Radiology and the American Board of Nuclear Medicine. He is a Fellow in the American College of Radiology.

Dr. Damron has been associated with numerous state and national professional organizations and boards and is the author of several peer-reviewed articles. He has received several national awards, such as the Capitol Dome award and the Physician's Award for Outstanding Service from ACS, the 2006 Physician of the Year award from the National Republican Congressional Committee and the NRCC 2007 Congressional Order of Merit. He also serves on the NM Coalition for Literacy Board, the St. Vincent Hospital Foundation Board and has served on other numerous community boards, state committees and task forces. Dr. Damron was the Republican Nominee for Governor in 2006 and a candidate for Lt. Governor in 2010.

**Jason Sandel, NMHIX Vice-Chair-** is a native of Farmington, New Mexico and was elected to the Farmington City Council in March of 2006. Jason Sandel is the Executive Vice-President of Aztec Well Servicing and its subsidiaries in Aztec, New Mexico. He is the 3rd generation of the Sandel family to dedicate himself to the company and the community. Jason attended the University of New Mexico where he received a B.A. in Political Science and served as a Senior Leadership Analyst for the New Mexico State Senate. Along with his appointment to the Board of the New Mexico Health Insurance Exchange, Jason serves as the Vice-Chairman of the New Mexico Medical Insurance Pool, immediate past President of the Four Corners Safety Council, member of the New Mexico Oil and Gas Executive Committee, former member of the Statewide Economic Development Commission, and was honored with the Paul Harris award by the San Juan Rotary Club.

## **10. Program Integrity**

***Progress on Financial Integrity Mechanisms to Prevent Fraud, Waste, and Abuse and Provide Oversight of Cooperative Agreement Funds***--New Mexico is developing administrative policies and statutory and regulatory provisions to ensure appropriate financial management of the cooperative agreement based on provisions in the recently-enacted NMHIX statute. Funds are administered following comprehensive written procedures approved by the Department of Finance and Administration to document all major aspects of the financial management system. This includes quality assurance and oversight to make sure the system disburses, tracks, and accounts for cooperative agreement disbursements.

The NMHIX is a quasi-governmental entity and as outlined in statute they must provide quarterly reports to the Legislature, the Governor, and the Superintendent of DOI. They are required to submit all financial information annually to the Superintendent and as required by law to HHS. They are also required to submit an annual audit beginning with the first year of operations in which access to health insurance coverage is provided. The NMHIX is required to operate consistent with the provisions of the Governmental Conduct Act, the Inspection of Public Records Act, the Financial Disclosure Act, and the Open Meetings Act.

NMHIX will adhere to HHS financial monitoring activities for the additional Level One cooperative agreement, and is developing the financial management structure to comply with requirements. The financial management structure will include hiring experienced accountants to support the financial management of the NMHIX.

Governor Martinez insists on accountability and transparency for all public programs. New Mexico will ensure NMHIX program operations and management integrity, and that federal cooperative agreement dollars are expended as budgeted in its cooperative agreements and contracts. New Mexico is committed to developing and implementing a full NMHIX plan to prevent fraud, waste, and abuse. A program integrity plan is being developed by the NMHIX.

## **11. Progress in Implementing Other ACA Requirements**

***Health Insurance Market Reforms***--The Department of Health and Human Services (HHS) determined that New Mexico has an effective rate review program in August, 2011. DOI received a \$1 million rate review federal planning cooperative agreement in 2010 to implement ACA disclosure and review requirements. In September, 2011, DOI received a cooperative agreement award of \$3 million to further develop its capacity to review rate increases and engage the public in the process. New Mexico enacted SB 208, a rate review law in 2011, effective January 1, 2012. It amends several sections of the New Mexico Insurance Code and provides the substantive basis for granting or denying a proposed rate increase. It requires increased transparency and a stricter review process for health insurance companies seeking to increase rates for New Mexico consumers. Insurers must receive the Superintendent's approval for the rates they charge for health insurance or health care plans.

The law requires insurance companies to explain rate increases in language that the average consumer can understand. Insurers must notify policyholders and beneficiaries of proposed rate increases. The state must provide a 30-day comment period to a proposed rate increase. The information is posted on the DOI website. The Superintendent of Insurance must consider the company's overall financial situation, whether it has complied with the state's medical loss ratio standards, and if changes have been made to the benefit package or plan design when approving rate increases. DOI sets time limits on the review process to assure timely decisions.

DOI has contracted with outside actuaries to review rate filings for an independent "third eye" look at those requests. DOI intends to have consumer engagement for all rate increase requests, not just those over 10 percent as required under federal law. A process has been put in place to put live filings onto the DOI website. An analysis area is being developed with a simplified review page allowing consumers to easily search for rate review requests, and to understand rate filings. The website allows consumers to submit comments about particular rate increases, submit hearing requests, and request notification of hearings, rate increases, and decisions after hearings. DOI is establishing consumer and insurer stakeholder groups under the rate review cooperative agreement; and is implementing an ombudsman program through the consumer assistance cooperative agreement. A toll-free telephone line with 27-language capability has been established. DOI and OHCR are conducting a comprehensive review state health insurance laws to determine what additional legislation may be needed to conform with the ACA.

***DRAFT***

*State of New Mexico*  
*Additional Level One Establishment Cooperative Agreement*  
*CFDA # 93.525 FON:IE-HBE-12-001*

**12. SHOP*****Summary of State's Small Group Market***

New Mexico's current small group market has approximately 60,500 covered lives with \$277 million in earned premiums. Market shares are as follows:

<b>Carrier</b>	<b>Members (2011)</b>	<b>Market Share</b>	<b>Earned Premium (2011)</b>	<b>Market Share</b>
Blue Cross Blue Shield of NM	19,566	32.4%	\$100,722,000	36.4%
Lovelace Health Plan	16,355	27.1%	\$68,451,360	24.7%
Presbyterian Health Plan	17,821	29.5%	\$74,432,580	26.9%
United Health Care	6,693	11.1%	\$33,202,618	12.0%
Total	60,435	100%	\$276,858,558	100%

***Research/Reports on Small Group Market Issues/SHOP Operations and Stakeholder Consultation on SHOP--***An Employer Participation work group held extensive meetings to work on various SHOP issues and provide recommendations. Issues reviewed included participation requirements, definition of "small business", adverse selection issues, defined contribution, premium aggregation, and plan selection.

***Evaluation of Potential Approaches to Front End SHOP Operations, Back Office SHOP Functions, and Customer Support--***NMHIX SHOP expands QHP options for small employers. The SHOP business area consists of business processes and technical requirements for enrolling participants, renewing enrollment, and creating enrollment reports and rosters. The SHOP function consists of the following core processes:

- Prepare/Update Employer
- Verify Employer Eligibility Application
- Determine Employer Eligibility for Participation
- Terminate Employer Participation
- Renew Employer Participation
- Appeal SHOP Eligibility Decision (Employer)
- Prepare/Update Employee
- Verify Employee Eligibility
- Application Information
- Determine Employee Eligibility for Enrollment
- Disenroll Employee in Qualified Health Plan
- Renew Employee Eligibility and Enrollment
- Appeal SHOP Eligibility Decision (Employee)

It is envisioned that NMHIX SHOP components will allow employers and employees to select coverage and coordinate corresponding enrollment and premium payment and billing activities. The external facing SHOP functions shall be integrated with, and have the same look and feel, as the other Exchange external facing functions. SHOP customers should have the same or highly similar user experience as an individual within the individual market, when setting up accounts, selecting plans, and enrolling.

## **b. PROPOSAL TO MEET PROGRAM REQUIREMENTS**

### **1. Current Exchange Pathway**

New Mexico will establish a State-Based Exchange and the NMHIX will be the Exchange entity. The NMHIX will provide insurance coverage through an online portal that is designed to be consumer-friendly to facilitate the comparison of the health plan options in a simple and consistent manner. New Mexico is completing the planning and designing phases and is actively developing the NMHIX to meet implementation deadlines.

On December 14, 2012 New Mexico submitted its Blueprint application to HHS to operate a State-Based Exchange and the Blueprint was conditionally approved on December 31, 2012. New Mexico will meet the required date for establishment of the Exchange and will begin enrollment activities October 1, 2013. All plans in this proposal assume a State Based Exchange. The NMHIX board is evaluating all available Exchange options and will work with CCIIO to partner on the Exchange model and configuration that provides the most favorable outcome to New Mexico.

New Mexico is in a transition phase as it implements the NMHIX under the new statutory requirements and is therefore in the process of realigning and reconfiguring certain functions, activities, and roles. In addition, the NMHIX will be submitting a re-scoped budget for the existing Level One grant funds once the funding has been transferred from the New Mexico Human Services Department as required by the NMHIX statute. Additional information on work plans and other aspects of NMHIX development will be provided and updated as the NMHIX board makes various policy and budget decisions.

This grant application focuses on outreach, education, and enrollment activities as directed and voted on by the NMHIX board at its initial meeting April 29 & 30, 2013. This request reflects the urgency of these activities that must be implemented immediately given the October 1, 2013 parameter. Other information included in the grant application reflects the initial Level One grant application information, the Blueprint information, or publicly-released RFP documents.

## 2. State's Strategy To Complete the Exchange Activities

<b>EXCHANGE ACTIVITIES</b>	<b>STATUS</b>
<b>Legal Authority and Governance</b>	New Mexico has enabling legislation creating the NMHIX to operate the Exchange and SHOP.
<b>Consumer and Stakeholder Engagement and Support</b>	Advisory groups will provide input to the NMHIX throughout the development and implementation of the NMHIX to ensure stakeholder engagement and support. A comprehensive outreach and education plan is being developed that will ensure culturally and linguistically appropriate materials and will ensure access to information and enrollment for individuals with disabilities. A Call Center will function as a first point of information on the NMHIX. A website will also be developed as part of the IT contract. A Navigator/Assister program with associated training requirements and broker roles is being developed. (See additional information in the following section.)
<b>Eligibility and Enrollment</b>	Through its IT solution, the NMHIX provide for enrollment into a QHP for both the individual market and the SHOP. HMHIX plans to have the capacity to accept and process applications by October 1, 2013. The IT RFP requires the contractor to develop a system with capacity for notices, verifications, privacy and security protections, storing and processing documents, determine eligibility for enrollment in QHPs, to process QHP selections/terminations, and comply with required reporting to HHS.
<b>Plan Management</b>	The DOI has the authority to certify and oversee QHPs and will coordinate with the NMHIX. The NMHIX will have in place a plan management system to support the collection of QHP issuer and plan data and facilitate the certification process and integrate with other Exchange business areas. The DOI is developing a timeline for QHP issuer accreditation.
<b>Risk Adj. and Reinsurance</b>	New Mexico plans to use the federal service for risk adjustment and reinsurance.
<b>SHOP</b>	The IT solution will provide capacity for SHOP requirements.
<b>Organization and Human Resources</b>	The NMHIX is gearing up staffing and has received applications for key positions to allow performance of NMHIX activities.
<b>Finance and Accounting</b>	The NMHIX is developing a long-term operational cost, budget and management plan through its Finance Committee.
<b>Technology</b>	The NMHIX is in the process of obtaining an IT contractor to develop an IT system that ensures compliance with HHS IT guidance, has adequate technology infrastructure and bandwidth, and can achieve essential functionality for all NMHIX activities.
<b>Privacy and Security</b>	The NMHIX's IT solution will ensure required privacy and security.
<b>Oversight, and Reporting</b>	The NMHIX will work to meet all requirements to ensure adequate oversight, monitoring, and reporting.
<b>Contracting/ Outsourcing</b>	NMHIX will issue a contract with project management consultants to further develop the NMHIX and has a RFP issued for the IT solution.

### **Navigator/Assister Outreach, Education, and Enrollment Program**

New Mexico plans an aggressive program to ensure that all New Mexicans can enroll in coverage programs. This will include a comprehensive outreach and education plan that will reach all areas of the state and all populations.

NMHIX will contract with two entities to develop Navigator/Assister programs and implement comprehensive outreach, education, and enrollment strategies. NMHIX will issue an RFP in June 2013 and execute the contracts in July 2013. Training programs will be implemented in August 2013 and Navigators/Assisters will begin enrollment in October 2013. Substantial resources will be necessary for this program based on New Mexico's geographical and cultural challenges. The Navigator/Assister entities chosen through the RFP process will then subcontract with community-based organizations and others to provide the In Person Assistance activities throughout the state. The model is based on the following assumptions: an average of two hours to complete an application with associated support; 25 percent time to be allocated to outreach and 75 percent to enrollment; average cost per enrollment of \$50, and 15 percent management/oversight costs for the two entities to ensure effective and efficient program implementation.

Targeted Native American assistance programs will also be developed to serve New Mexico's Native American population. About 10 percent of New Mexico's population is Native American population, totaling approximately 200,000 people in 22 tribes. More than one-third of the nation's Navajo population resides in the state and there are 19 pueblos located in seven counties throughout the state. Many Native Americans have never had health insurance, live in remote rural areas with limited or no access to technology, and significant education and outreach will be necessary to ensure access to information and resources for NMHIX enrollment. The Native American services will provide outreach, education, and support services to ensure all Native Americans understand their options for coverage and how to enroll. The NMHIX is in the process of developing the Native American services and will work in partnership with the Native American Liaison and the Native American work group.

The NMHIX will contract for overall development of the comprehensive outreach and education program, development of training programs for Navigators and Assisters, and to manage the development of the Navigator/Assister system. This will include the following activities: development of training modules and manuals; creation of performance evaluation plan, metrics, and business processes for the system; management of RFPs for the system; design, development, and support for a recruitment strategy; and support for administration of system.

### **3. State's Strategy to Address Early Benchmarks in Section I.4**

New Mexico has completed its IT gap analysis and is working to complete development of the IT system and interfaces through an RFP for an IT vendor. New Mexico has completed its initial actuarial and market analysis of rates, benefits, issuers, and potential customers.



New Mexico has completed substantial stakeholder and tribal consultation and will continue those activities throughout development of the NMHIX through various advisory committees. Long-term operational cost analysis is underway and a sustainability plan is being developed through the NMHIX Finance Committee.

#### 4. Proposed Solution for Exchange IT Systems

The following chart outlines the various NMHIX Partner entities and their responsibilities.

Functionality		NMHIX	DOI	HSD	Carriers	Federal HHS	NMMP
<b>NMHIX</b>							
	Outreach & Education	X					
	Member Portal, SHOP Employer Portal	X					
	Navigator and Broker Programs/Training	X	X				
	Premium aggregation for SHOP employers (2015)	X					
	Call center, Customer Service	X				X	
	Collection of fees/assessments	X					
<b>Plan Management</b>							
	Certification of QHPs		X				
	Decertification of QHPs		X				
	Rate review		X				
	Validation of EHB & metal plan designation		X				
	Quality metrics and network adequacy		X				
	Consumer complaints & appeals	X	X				
<b>Federal Services</b>							
	Automated Premium Tax Credits					X	
	Cost Sharing Reductions					X	
	Medicaid Assessment					X	
	Risk Adjustment					X	
	Reinsurance					X	
	Individual Mandate exemptions					X	
<b>HSD/Medicaid</b>							
	Full Medicaid determination/redetermination			X			
	Notification to Exchange of ineligible members			X			
<b>Carrier</b>							
	Development of Exchange Benefit plans & rates				X		
	Billing and collection of Individual members				X		

## **5. IT Seven Standards and Conditions**

System modularity is being reviewed by the NMHIX IT Committee. New Mexico has been active with CCIIO gatherings, Affinity groups, and the establishment of a state network for State Based Exchange directors. Cooperation between the NMHIX, HSD, and DOI is supported by the new Exchange statute.

## **6. Organizational Structure**

The NMHIX organizational chart is provided on page 33. The NMHIX statute requires HSD to transfer the remaining first Level One grant funds to the NMHIX and provide for coordination with Medicaid. DOI will execute a MOU to transfer the second Level One grant and make the NMHIX the grantee of record status as soon as the NMHIX has its legal framework fully implemented, and to provide for QHP regulatory activities.

## **7. Coordination with the Federal Government on Exchange Activities**

NMHIX will coordinate with the federal government on all NMHIX development and implementation issues.

## **8. Strategies for Reuse, Sharing, Collaboration for NM Exchange Activities with the Federal Exchange and Other States**

As outlined in agreements with HHS, all Exchange systems and system components financed with federal funds are non-proprietary, utilize open architecture standards, and permit re-use by other states and jurisdictions. New Mexico will produce requirement specifications, analysis, design, code, and testing that can be easily shared with other interested and authorized parties and stakeholders, including other states.

New Mexico will inform and assist other states through various means, including HHS Learning Collaboratives and User Groups. Beyond reuse and sharing of IT, New Mexico is committed to leverage existing infrastructure and re-purpose business functions and processes to maximize state resources. The NMHIX is working with other states to determine how aspects of their systems can be replicated in New Mexico.

## **9. Strategies to Ensure Financial Integrity Mechanisms to Prevent Fraud, Waste, and Abuse and Provide Oversight of Cooperative Agreement Funds and the Exchange**

New Mexico will ensure NMHIX program operations and management integrity, and that federal cooperative agreement dollars are expended as budgeted in its cooperative agreements and contracts. New Mexico is committed to developing and implementing a full NMHIX plan to prevent fraud, waste, and abuse. A program integrity plan is being developed for fraud and abuse policies.

## **10. Challenges That May Affect Progress in Work Plan**

Although New Mexico has resolved a number of issues with the enactment of the NMHIX legislation, unanticipated scheduling delays could potentially impact implementation of the NMHIX. In order to monitor progress, New Mexico will utilize key indicators including scope, schedule and budget. The project will be calibrated with a baseline at the beginning of the project and with each project phase and be monitored daily by the NMHIX Project Management Team.

Bi-weekly project meetings will review progress towards meeting identified milestones and determining whether the project is on time, within budget and within scope. The project's progress and key deliverables will be presented to appropriate stakeholders by the NMHIX Project Management Team. The IV&V contractor will also review all project deliverables including deliverables associated with the management of the project.

The NMHIX will track the management of risks and issues identified prior to and during the project. Appropriate risk mitigation and timely issue resolution will help assure project success. The NMHIX will monitor whether the project is identifying risks and issues, developing plans to mitigate risks and issues, including the appropriate stakeholders in decisions, and executing the plans successfully.

## **11. SHOP**

**Market Challenges**—Over 85 percent of New Mexico's small businesses have less than 50 employees and many have never purchased health insurance. This will be a market challenge as the NMHIX is implemented that is hoped can be resolved through strong outreach and education including through chamber of commerce groups and other organizations.

**Strategic SHOP Plan**--NMHIX SHOP will expand QHP options for small employers. The SHOP business area consists of business processes and technical requirements for enrolling participants, renewing enrollment, and creating enrollment reports and rosters. The SHOP function consists of the following core processes:

- Prepare/Update Employer
- Verify Employer Eligibility Application
- Determine Employer Eligibility for Participation
- Terminate Employer Participation
- Renew Employer Participation
- Appeal SHOP Eligibility Decision (Employer)
- Prepare/Update Employee
- Verify Employee Eligibility
- Application Information
- Determine Employee Eligibility for Enrollment
- Disenroll Employee in Qualified Health Plan
- Renew Employee Eligibility and Enrollment
- Appeal SHOP Eligibility Decision (Employee)

***Effective Competition/Level Playing Field/Broad Choice of Issuers and Plans/Effective Implementation of Employee Choice***

New Mexico hopes to have a robust choice of health plans on the NMHIX. Already the six major insurers in New Mexico have applied to be QHPs, including six for individual plans and five for SHOP. The NMHIX also anticipates there will be at least three stand alone dental plans.

***Appealing/Efficient Shopping and Enrollment Experience--*** NMHIX envisions a Web Portal providing eligible customers with a first-class user experience to enroll in, and maintain, insurance coverage. It will provide a look/feel similar to that which is experienced by Internet customers of top commercial service and retail companies. The eventual New Mexico operated Web Portal is envisioned as having the functionality to support:

- Individual Plan Compare and Selection
- Individual Eligibility and Enrollment
- SHOP Employer Plan Compare and Selection
- SHOP Employee Plan Enrollment
- Navigators/Brokers/Others
- Mobile Web
- Internal Web Portal for Customer support

It is envisioned that NMHIX SHOP components will allow employers and employees to select coverage and coordinate corresponding enrollment and premium payment and billing activities, via possibly an integrated, web-based application. The external facing SHOP functions shall be integrated with, and have the same look and feel, as the other Exchange external facing functions. SHOP customers should have the same or highly similar user experience as an individual within the individual market, when setting up accounts, selecting plans, and enrolling.

***Effective Engagement of Broker Community in SHOP Education and Enrollment, Back Office Operations, and Customer Support***

The NMHIX will utilize existing NMHIA resources and staff to engage the broker community, develop initial back office operations, and create customer support services. Utilization of these NMHIA resources will help expedite development of the NMHIX.

**B. WORKPLAN**

*Note: The budget information details which work plan activities are funded through the initial Level One grant and which are funded through this requested second Level One grant. All plans in this proposal assume a State Based Exchange. The NMHIX board is evaluating all available Exchange options and will work with CCIIO to partner on the Exchange model and configuration that provides the most favorable outcome to New Mexico.*

*New Mexico is in a transition phase as it implements the NMHIX under the new statutory requirements and is therefore in the process of realigning and reconfiguring certain functions, activities, and roles. In addition, the NMHIX will be submitting a re-scoped budget for the existing Level One grant funds once the funding has been transferred from the New Mexico Human Services Department as required by the NMHIX statute.*

*Additional information on work plans and other aspects of NMHIX development will be provided and updated as the NMHIX board makes various policy and budget decisions. This grant application focuses on outreach, education, and enrollment activities as directed and voted on by the NMHIX board at its initial meeting April 29 & 30, 2013. This request reflects the urgency of these activities that must be implemented immediately given the October 1, 2013 parameter. Other information included in the grant application reflects the initial Level One grant application information, the Blueprint information, or publicly-released RFP documents.*

<b>Core Area</b>	<b>CY 2013</b>	<b>CY 2014</b>	<b>CY 2015</b>
<b><i>Legal Authority and Governance</i></b>	<i>Funded through the initial Level One Grant through November 2013:</i> Q1: The NMHIX statute was enacted. Q2: The NMHIX board was appointed. Q2-Q4: The NMHIX will continue implementation activities.	Q1-Q4: The NMHIX will continue implementation activities.	Q1-Q4: The NMHIX will continue implementation activities.
<b><i>Consumer and Stakeholder Engagement and Support</i></b>	<i>Funded through the initial Level One Grant through November 2013:</i> Q1-Q4: Develop NMHIX advisory work group to continue work of the ATF. Provide stakeholder meeting minutes to HHS. Q1-Q4: Continue to implement and document Tribal consultation and input on ongoing design and operation of the NMHIX. Provide meeting minutes to HHS. <i>Funded through the second Level One Grant proposal:</i> Q3-Q4: Development and implementation of comprehensive outreach and education plan. Design and implementation of Native American outreach and education activities. Q3-Q4: Implement Call Center. Q3: Contract for Navigator and Assister organizations.	Q1-Q4: Continue stakeholder advisory work group input on NMHIX implementation. Provide stakeholder meeting minutes to HHS. Q1-Q4: Continue to implement and document Tribal consultation and input on ongoing design and operation of the NMHIX. Provide meeting minutes to HHS.	Q1-Q4: Continue stakeholder advisory work group input on NMHIX implementation. Provide stakeholder meeting minutes to HHS. Q1-Q4: Continue to implement and document Tribal consultation and input on ongoing design and operation of the NMHIX. Provide meeting minutes to HHS. Q1-Q4: Continued implementation of comprehensive outreach and education plan and Native American Service Center activities. Refine message based on response and feedback from consumers.

Core Area	CY 2013	CY 2014	CY 2015
<b>Consumer and Stakeholder Engagement and Support (cont.)</b>	Q3-Q4: Implement Navigator and Assister training programs. Q3-Q4: Ongoing Navigator and Assister implementation.	<i>Funded through the second Level One Grant proposal for Q1-Q2:</i> Continued implementation of comprehensive outreach and education plan and Native American Service Center activities. . Refine message based on response and feedback from consumers. Q1-Q4: Continued implementation of Call Center. Q1-Q4: Ongoing Navigator implementation.	

Core Area	2013	2014	2015
<b>Eligibility and Enrollment</b>	<i>Funded through the initial Level One Grant through November 2013:</i> Q3-Q4: Develop mechanisms for initial implementation. Q3-4: Continue NM system development Q3-Q4: Establish protocols for appeals of coverage determinations; review standards, timelines and provision of health care to consumers during the appeals process. Develop plan and hire consultants to handle coverage appeals functions. Review consumer complaint information collected by DOI Consumer Assistance Program when certifying QHP's. Establish referral process to consumer assistance programs.	Q2: Begin user testing of all interfaces. Q3: Complete user testing, include full end-to-end integration testing with other components. Q1-Q4: Ensure consumer complaints or coverage appeals are referred directly to the DOI Consumer Assistance Program. Analyze data collected by consumer assistance programs. Evaluate process. Share reports with to strengthen QHP accountability. Provide quarterly reports to HHS.	Q1-Q4: Ongoing implementation of eligibility determination systems. Q1-Q4: Ensure consumer complaints or coverage appeals are referred directly to the DOI Consumer Assistance Program. Evaluate process. Provide quarterly reports to HHS.



<b>Core Area</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b><i>Plan Management</i></b>	<i>Funded through the initial Level One Grant through November 2013:</i> Q2: Release QHP proposal solicitation Q2: Evaluate proposals, and complete process. Solicit premium quotes from health plan carriers. Q3: Begin QHP training for health plan carriers. Launch plan management and bid evaluation system to allow upload of QHP bids and other required information. Complete the denial, or certification of QHP's, execute contracts. Issue announcement of QHP certifications to public. Q3: Conduct plan readiness reviews. Q3-4: Additional actuarial analysis, QHP evaluation, and other DOI activities.	Q1: Invoice, collect user fees. Q1: Demonstrate NMHIX and DOI capacity to monitor QHP practices, evaluate customer satisfaction, pricing and benefits of health plans inside and outside of the NMHIX.	Ongoing certification/recertification/decertification processes.
<b><i>Risk Adjustment and Reinsurance</i></b>	Q3-4: Begin implementation of risk adjustment and reinsurance methodologies with federal government.	Q1-Q4: Ongoing implementation of risk adjustment and reinsurance systems.	Q1-Q4: Ongoing implementation of risk adjustment and reinsurance systems.

<b>Core Area</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b><i>SHOP-Specific Functions</i></b>	<i>Funded through the initial Level One Grant through November 2013:</i> Q2: Continue systems development. Q3: Complete user testing; include full end-to-end integration testing with other components. Q3: Enroll employees of small employers into QHPs.	Q1-Q4: Ongoing implementation of processes.	Q1-Q4: Ongoing implementation of processes.
<b><i>Organization and Human Resources</i></b>	<i>Funded through the initial Level One Grant through November 2013:</i> Q1-Q4: Ongoing implementation of NMHIX. Q3: Hire NMHIX staff.	Q1-Q4: Ongoing implementation of NMHIX staffing and organizational resources.	Q1-Q4: Ongoing implementation of NMHIX staffing and organizational resources.
<b><i>Finance and Accounting</i></b>	<i>Funded through the initial Level One Grant through November 2013:</i> Q3-Q4: Development of long-term operational cost, budget and management plan.	Q1-Q4: Ongoing implementation of long-term operational, cost, budget, and management plan.	Q1: Financial sustainability implemented.
<b><i>Technology</i></b>	<i>Funded through the initial Level One Grant through November 2013:</i> Q1-Q4: Continued development of IT solution.	Q1-4: Ongoing implementation and refinement.	Q1-4: Ongoing implementation and refinement.

<b>Core Area</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b><i>Privacy and Security</i></b>	<i>Funded through the initial Level One Grant through November 2013:</i> Q1-Q4: Continued implementation of the IT solution.	Q1-Q4: Continued implementation of the IT solution.	Q1-Q4: Continued implementation of the IT solution.
<b><i>Oversight, Monitoring, and Reporting</i></b>	<i>Funded through the initial Level One Grant through November 2013:</i> Q3-4: Establish fraud and protection procedures. Develop procedures for reporting to HHS on efforts to prevent fraud, waste, and abuse.	Q1-Q4: Comply with HHS reporting requirements related to auditing and prevention of fraud, waste, and abuse.	Q1-Q4: Comply with HHS reporting requirements related to auditing and prevention of fraud, waste, and abuse.
<b><i>Contracting, Outsourcing, and Agreements</i></b>	<i>Funded through the initial Level One Grant through November 2013:</i> Q1-Q4: The NMHIX will continue to execute appropriate contractual, outsourcing, and partnership agreements with vendors and state/federal agencies for all Exchange activities and functionality as needed, including data and privacy agreements.	Q1-Q4: The NMHIX will continue to execute appropriate contractual, outsourcing, and partnership agreements with vendors and state/federal agencies for all Exchange activities and functionality as needed, including data and privacy agreements.	Q1-Q4: The NMHIX will continue to execute appropriate contractual, outsourcing, and partnership agreements with vendors and state/federal agencies for all Exchange activities and functionality as needed, including data and privacy agreements.

**F. BUDGET AND BUDGET NARRATIVE**

New Mexico requests \$19,775,232 in federal funding for an additional Level One Establishment cooperative agreement for the period July 1, 2013 through June 30, 2014. The initial grant funding would go to DOI and then the majority transferred to NMHIX as soon its legal configuration is complete.

New Mexico received \$34.3 million for an initial Level One grant in November 2011 and the project period for that grant was later extended through November 2013. The initial Level One grant was awarded to HSD and approximately \$2.6 million was spent on project staffing, the Leavitt Partners consulting contract, and ATF activities. The NMHIX statute enacted in March 2013 requires HSD to transfer the remaining grant funds to the NMHIX.

The NMHIX is now working on a financing plan for NMHIX operations and activities based on the new law and project developments. The NMHIX plans to submit an additional grant application for NMHIX operations and activities until the required sustainability is achieved.

The following chart shows the requested expenditures for this proposed grant by Exchange Activity Area:

<b>Exchange Activity Area</b>	<b>DOI</b>	<b>NMHIX</b>	<b>TOTAL</b>
Consumer and Stakeholder Engagement and Support		\$11,800,000	\$11,800,000
Eligibility and Enrollment		\$ 6,475,232	\$ 6,475,232
Plan Management	\$1,500,000		\$ 1,500,000
Total	\$1,500,000	\$18,275,232	\$19,775,232

The following chart shows the planned expenditures from the remaining initial Level One grant and the proposed second Level One grant:

<b>DOI</b>		<b>SECOND LEVEL ONE GRANT July 1, 2013-June 30, 2014</b>
<b>STAFFING COSTS</b>		
NM OSI ACA PROGRAM COORDINATOR	\$	70,000
ACA MANAGEMENT ANALYST	\$	50,000
POLICY ANALYST	\$	65,000
FORM REVIEWER (FINANCIAL ANALYST) (2)	\$	100,000
COMPLIANCE REVIEWER (FINANCIAL ANALYST)	\$	50,000
ISSUER LICENSING REVIEWER (FINANCIAL ANALYST)	\$	50,000
STAFF ATTORNEY	\$	87,000
PARALEGAL	\$	58,000
ACTUARY (SENIOR)	\$	120,000
CONSUMER/CARRIER OUTREACH DIRECTOR	\$	60,000
CONSUMER TRAINING DEVELOPER	\$	55,000
ADMINISTRATIVE ASSISTANT (2)	\$	70,000
SUBTOTAL	\$	835,000
FRINGE BENEFITS	\$	250,500
TOTAL STAFFING COSTS	\$	1,085,500
<b>OPERATING COSTS</b>		
SUPPLIES	\$	24,000
TRAVEL	\$	70,000
COMPUTERS/EQUIPMENT/OFFICE FURNITURE	\$	25,000
OTHER OPERATING COSTS	\$	100,000
TOTAL OPERATING COSTS	\$	219,000
<b>CONTRACTUAL SERVICES</b>		
MISCELLANEOUS	\$	195,500
TOTAL CONTRACTUAL SERVICES	\$	195,500
<b>TOTAL</b>	<b>\$</b>	<b>1,500,000</b>
		<b>7/1/13-6/30/14</b>
<b>SUBAWARD/GRANT TRANSFER TO NMHIX</b>		<b>SECOND LEVEL ONE GRANT</b>
<b>CONTRACTUAL SERVICES</b>		
AUDITING		
ACCOUNTING		
LEGAL		
APPEALS/GRIEVANCE		
MARKETING MATERIALS AND ACTIVITIES	\$	6,350,000
OUTREACH AND EDUCATION, STAKEHOLDER SUPPORT, TRIBAL CONSULTATIONS	\$	5,450,000
PROJECT MANAGEMENT		
IT VENDOR AND INTERFACE COSTS		
EXCHANGE CONSULTANTS-TECHNICAL ASSISTANCE		
IN PERSON ASSISTANCE	\$	6,475,232
SYSTEM INTEGRITY		
TOTAL CONTRACTUAL COSTS	\$	18,275,232
TOTAL-NMHIX	\$	18,275,232
TOTAL	\$	19,775,232

Detailed budgets for both DOI and NMHIX are shown in the following sections. Supplies and travel costs are variable and other costs are fixed.

<b>DOI Budget Items</b>
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<b><i>Salaries and Wages—DOI</i></b>
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Total: \$835,000

Exchange Establishment Cooperative Agreement: \$835,000

Other Funding: \$ -0-

The New Mexico Office of the Superintendent of Insurance (OSI) will use the following staff positions to more effectively manage the process of implementing the regulations required under the Affordable Care Act. This includes creating and finalizing guidance for Qualified Health Plans, establishing guidance for outside-the-exchange plans which must meet the new requirements, enhancing availability to both carriers and consumers as the demand for that availability increases, performing plan review in a timely manner, responding to QHP legal issues in a timely manner and analyzing and implementing best practices for going forward.

See Description of Key Personnel for job descriptions.

<u>Position</u>	<u>Salary</u>
NM OSI ACA Program Coordinator	\$ 70,000
ACA Management Analyst	50,000
Policy Analyst	65,000
Form Reviewer (Financial Analyst) (2)	100,000
Compliance Reviewer (Financial Analyst)	50,000
Issuer Licensing Reviewer (Financial Analyst)	50,000
Staff Attorney (with insurance experience)	87,000
Paralegal	58,000
Actuary (Senior actuary, member of actuarial society)	120,000
Consumer/ Carrier Outreach Director	60,000
Consumer Training Developer	55,000
Administrative Assistant (2)	70,000
<b>TOTAL</b>	<b>\$835,000</b>

<b><i>Fringe Benefits--DOI</i></b>
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Total: \$240,000

Exchange Establishment Cooperative Agreement: \$240,000

Other Funding: \$ -0-

Fringe benefits are calculated at a total rate of 30 percent and include OASI, retirement, health benefits, workers compensation, and unemployment insurance.

***Travel--DOI***

Total: \$70,000

Exchange Establishment Cooperative Agreement: \$70,000

Other Funding: \$ -0-

A total of \$70,000 is requested for travel for DOI staff for meetings throughout the state as well as to national meetings on Exchange issues.

***Operating Costs--DOI***

Total: \$219,000

Exchange Establishment Cooperative Agreement: \$219,000

Other Funding: \$ -0-

A total of \$219,000 is requested for operating expenses for DOI including, outreach activities, Native American consultations, supplies, and other operational costs. A total of \$50,000 is requested for office space and technology and equipment costs.

***Contractual Services--DOI***

Total: \$195,500

Exchange Establishment Cooperative Agreement: \$195,500

Other Funding: \$ -0-

A total of \$195,500 is requested for DOI for legal support and specialized actuarial support.

**Nature of Services to Be Rendered:** Additional legal and actuarial support services.

**Relevance of Service to the Project:** Related to QHP certification and regulation.

**Duration of the Consultation:** July 1, 2013-June 30, 2014

**Expected Rate of Compensation:** Bid contracts either with a competitive hourly rate or through a fixed price contract. Required detail will be provided for each contract.

**Method of Accountability:** Base payment on specific contract deliverables and timelines.

**NMHIX Budget Items*****Contracts***

Total: \$18,275,232

Exchange Establishment Cooperative Agreement: \$18,275,232

Other Funding: \$ -0-

**Required Information for Hiring Consultants**

**Duration of the Consultation:** July 1, 2013-June 30, 2014

**Expected Rate of Compensation:** Bid contracts either with a competitive hourly rate or through a fixed price contract. Required detail will be provided for each contract.

**Method of Accountability:** Base payment on specific contract deliverables and timelines.

<b>Comprehensive Outreach and Education Plan, Stakeholder Support, Native American Outreach and Education Activities, and Marketing and Media</b>
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**Nature of Services to Be Rendered:** Development and implementation of a comprehensive outreach and education plan with multifaceted strategies to maximize enrollment throughout the state to all populations. It will include overall plan development and management (\$1,100,000). The NMHIX will contract for overall development of the comprehensive outreach and education program, development of training programs for Navigators and Assisters, and to manage the development of the Navigator/Assister system. This will include the following activities: development of training modules and manuals; creation of performance evaluation plan, metrics, and business processes for the system; management of RFPs for the system; design, development, and support for a recruitment strategy; and support for administration of system. Also included is funding for extensive local events and activities including partnerships with nonprofit organizations, counties, schools/universities, faith communities, providers, state agencies, business organizations, and other community-based organizations, tribal consultations, targeted tribal outreach and education, stakeholder education and outreach, and other education and outreach activities (\$4,350,000), purchased media including radio, TV, billboards, etc. (\$4,500,000), and marketing materials and activities (\$1,850,000). It will include comprehensive outreach to all Native American communities, including targeted messaging, print, radio, TV, social media/Facebook, web, health fairs, other events; educational website hotlinks for Native Americans; face to face meeting opportunities; coordination and engagement of Chapter Houses, senior centers, health fairs and Pow Wows; marketing through Native American Radio: Singing wire and Native American calling and Public Service Announcements; marketing and educational efforts through social and alumni organizations through newsletters; and advertising on buses and bus stops. A total of \$11,800,000 is requested for planning, implementation, and management of the comprehensive outreach, education, marketing, and stakeholder support plan.

**Relevance of Service to the Project:** Maximize enrollment and take-up of NMHIX.

**Duration of the Consultation:** July 1, 2013-June 30, 2014

**Expected Rate of Compensation:** Contracts through a competitive bid process. Required detail will be provided for each contract.

**Method of Accountability:** Base payment on specific contract deliverables and timelines.

<b>In Person Assistance Plan</b>
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**Nature of Services to Be Rendered:** Develop and implement the Navigator/Assister plan including designation of two entities to manage and implement the Navigator/Assister system, coordinating with brokers/agents, and developing the Navigator and Assister curriculum, training, cross training and certification processes. A total of \$6,475,232 is requested for start-up activities in 2013 to recruit and train staff, develop training curricula, hire central management staff, and contract with the two Navigator/Assister entities to implement the system. The Navigator/Assister entities would then subcontract with community-based organizations and others to provide the In Person Assistance activities throughout the state. The requested amount includes development of the training programs, training costs such as background checks and other certification costs, and the Navigator/Assister system costs to ensure adequate coverage of In Person Assistance throughout the state.



Navigator/Assister costs are based on the following assumptions: an average of two hours to complete an application with associated support; 25 percent time to be allocated to outreach and 75 percent to enrollment; average cost per enrollment of \$50, and 15 percent management/oversight costs for the two entities to ensure effective and efficient program implementation.

**Relevance of Service to the Project:** Maximize NMHIX uptake rate. An effective Navigator/Assister system is critical to successful NMHIX establishment.

**Duration of the Consultation:** July 1, 2013-June 30, 2014

**Expected Rate of Compensation:** Contracts through a competitive bid process. Required detail will be provided for each contract.

**Method of Accountability:** Base payment on specific contract deliverables and timelines.

**G. ADDITIONAL LETTERS OF AGREEMENT** Letters of agreement and participation are included from the Governor, the Superintendent of DOI, HSD/Medicaid agency, and the NMHIX.

#### **H. DESCRIPTION OF KEY PERSONNEL**

Outlined in the following section is the staffing requested for the DOI components of this grant application.

DOI will provide analysis and support for the functions related to QHP certification processes, necessary actuarial work, and licensing and certification processes for Navigators and Assisters.

**Add information once received from DOI on job descriptions.**

**ORGANIZATIONAL CHART**—included as Figure 1 on page 33.

**ATTACHMENT 1**  
**BIO SKETCHES OF KEY PERSONNEL**

**John G. Franchini, Superintendent of Insurance**—Mr. Franchini is Superintendent of the Public Regulation Commission Division of Insurance. He is a native New Mexican and graduate of Creighton University, with 35 years experience in the insurance industry. He joined Consolidated Agency, his father's independent insurance agency, purchased it ten years later and expanded it to four locations employing 82 people and servicing nearly 15,000 customers. He served on the New Mexico Workers' Compensation Assigned Risk Pool Board of Governors, the Patient Compensation Administration Board of Directors, and was elected president of the Independent Insurance Agents of New Mexico. In 1998, Poe & Brown, a national insurance broker, purchased the business. He was named vice president. His responsibilities included new business production, development of specialized insurance programs, and agency acquisitions. He joined New Mexico Mutual in 2002 and later named Vice President of Government and Industry Affairs. He worked with state legislators, members of regulatory agencies, and insurance agents to strengthen the company's financial and public standing. He is a member of the Leadership New Mexico Class of 2007, former board member of the Rocky Mountain Insurance Information Association, and past president of the NM Insurance Association.

**James R. Damron, M.D., FACR, NMHIX Board Chair** - Dr. Damron is an attending radiologist at UNM, Health Science Center, School of Medicine and teaches in the specialty of Clinical Mammography, overseeing radiology residents and providing lectures to medical students on state and federal health policy issues. Prior to UNM, he was President of Santa Fe Radiology, P.C., providing diagnostic radiology imaging services in Santa Fe for 30 years before he retired.

Dr. Damron received his Medical Degree from Indiana University School of Medicine, his radiology training at the University of Kentucky Medical Center and did a Nuclear Medicine Fellowship at the University of New Mexico. He is Board Certified by the American Board of Radiology and the American Board of Nuclear Medicine. He is a Fellow in the American College of Radiology.

Dr. Damron has been associated with numerous state and national professional organizations and boards and is the author of several peer-reviewed articles. He has received several national awards, such as the Capitol Dome award and the Physician's Award for Outstanding Service from ACS, the 2006 Physician of the Year award from the National Republican Congressional Committee and the NRCC 2007 Congressional Order of Merit. He also serves on the NM Coalition for Literacy Board, the St. Vincent Hospital Foundation Board and has served on other numerous community boards, state committees and task forces. Dr. Damron was the Republican Nominee for Governor in 2006 and a candidate for Lt. Governor in 2010.

**Jason Sandel, NMHIX Vice-Chair-** is a native of Farmington, New Mexico and was elected to the Farmington City Council in March of 2006. Jason Sandel is the Executive Vice-President of Aztec Well Servicing and its subsidiaries in Aztec, New Mexico. He is the 3rd generation of the Sandel family to dedicate himself to the company and the community. Jason attended the University of New Mexico where he received a B.A. in Political Science and served as a Senior Leadership Analyst for the New Mexico State Senate. Along with his appointment to the Board of the New Mexico Health Insurance Exchange, Jason serves as the Vice-Chairman of the New Mexico Medical Insurance Pool, immediate past President of the Four Corners Safety Council, member of the New Mexico Oil and Gas Executive Committee, former member of the Statewide Economic Development Commission, and was honored with the Paul Harris award by the San Juan Rotary Club.

**ATTACHMENT 2****COST ALLOCATION**

New Mexico will develop a plan to allocate costs to reflect the planned configuration of the NMIX. The NMHIX IT Committee is currently working to contract with an IT vendor for the NMHIX system and will be working with the chosen vendor and the project management team to develop a cost allocation plan. Following the completion of procurement activities and additional analysis of projections and associated costs, the cost allocation methodology will be developed and modified as appropriate.

New Mexico will evaluate all options for cost allocation methodology. One option may be to use population estimates adjusted by a workload factor to develop the cost allocation plan. The NMHIX will review cost allocation plan methodologies used in states with similar demographics and systems.

NMHIX will work to refine estimates of activities and develop a cost estimate for integrated activities. NMHIX will work with CCIIO and CMS to ensure that the cost allocation plan conforms with all requirements.